The PRESIDENT pro tempore. It has.

Mr. McGILL. I ask unanimous consent that at a later period, when consideration is being given to amendments to the text of the bill, an amendment may be proposed to schedule A on page 21.

Mr. BARKLEY. I am satisfied that if the Senator should ask unanimous consent later to recur to that section, there would be no objection.

Mr. McGILL. It is not particularly my amendment, but I do know that there will be an amendment offered to that schedule as applied to the two commodities, wheat and corn.

Mr. BARKLEY. There will be no difficulty about that,

Mr. POPE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. POPE. I call the attention of the Senator from Kansas to the fact that an amendment which would dispose of this matter will be made to the original language of the bill at the top of page 8.

Mr. McGILL. It will not affect the schedule?

Mr. POPE. It will affect the schedule, but the original language will be on the top of page 8. I think we can amend that.

Mr. OVERTON. I send an amendment to the desk and ask to have it printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock p. m.) the Senate took a recess until Monday, December 13, 1937, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate December 11 (legislative day of November 16), 1937

JUDGE OF THE UNITED STATES CIRCUIT COURT OF APPEALS Walter E. Treanor, of Indiana, to be a judge of the United States Circuit Court of Appeals for the Seventh Circuit, vice Samuel Alschuler, retired.

PROMOTIONS IN THE NAVY

Comdr. Howard H. J. Benson to be a captain in the Navy. to rank from the 1st day of November 1937.

The following named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Francis M. Adams, September 1, 1937.

Hugh H. Goodwin, December 1, 1937.

Thomas J. Raftery, December 1, 1937.

The following named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the 1st day of December 1937:

Albert S. Miller. Joseph E. Dodson.

SENATE

Monday, December 13, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, December 10, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. DARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams Andrews Andrews Ashurst Austin Bailey Bankhead Barkley Bilbo Bone Borah Brown, Mich. Brown, N. H. Bulkley Bulow Burke Byrd Byrnes Capper Caraway Chavez Clark	Dieterich Donahey Duffy Ellender Frazier George Gerry Gibson Gillette Glass Graves Graves Green Guffey Hale Harrison Hatch Hayden Herring Hitchcock Holt	La Follette Lee Lodge Logan Lonergan Lundeen McAdoo McCarran McGill McKellar McNary Maloney Miller Minton Murray Neely Norris O'Mahoney Overton Pepper	Reynolds Russell Schwartz Schwellenbach Sheppard Shipstead Smathers Smith Steiwer Thomas, Okla. Thomas, Utah Townsend Truman Tydings Vandenberg Van Nuys Wagner Walsh Wheeler White

Mr. BARKLEY. I announce that the Senator from Delaware [Mr. Hughes] is detained from the Senate because of

The Senator from Tennessee [Mr. BERRY], the Senator from Illinois [Mr. Lewis], and the Senator from New Jersey [Mr. Moore] are unavoidably detained.

Mr. AUSTIN. The Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The PRESIDENT pro tempore. Eighty-nine Senators having answered to their names, a quorum is present.

NOBEL PEACE PRIZE

The PRESIDENT pro tempore laid before the Senate a letter from the Under Secretary of State transmitting copy of a circular of the Nobel Committee of the Norwegian Parliament furnishing information regarding the proposal of candidates for the Nobel Peace Prize for the year 1938, which, with the accompanying paper, was referred to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate resolutions adopted by Farm Credit Administration Local No. 14 of the United Federal Workers of America, favoring the prompt enactment of the so-called Logan bills, being the bills (S. 3050) establishing a 5-day workweek in the Federal service, and for other purposes, and (S. 3051) to provide for the hearing and disposition of employee appeals from discriminatory treatment by superiors in the Federal service, which were referred to the Committee on Civil Service.

He also laid before the Senate a resolution adopted by Local No. 18, Industrial Union of Marine and Shipbuilding Workers of America, Mobile, Ala., favoring the prompt enactment of pending wage and hour legislation, which was ordered to lie on the table.

Mrs. CARAWAY presented a petition, numerously signed, of sundry citizens of the State of Arkansas, praying for the enactment of the so-called Lee bill, being the bill (S. 2911) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government. which was referred to the Committee on Military Affairs.

Mr. VANDENBERG presented a resolution adopted by the City Council of Wyandotte, Mich., protesting against the enactment of legislation to tax the income from municipal bonds, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Linwood and Pinconning, Mich., praying for the adoption of the socalled Ludlow resolution, being the joint resolution (H. J. Res. 199) proposing an amendment to the Constitution of the United States to provide for a referendum on war, which was referred to the Committee on the Judiciary.

PRINTING OF REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. HAYDEN. From the Committee on Printing, I report an original resolution and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 208) was read, considered, and agreed to, as follows:

Resolved, That the Fortieth Annual Report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1937, be printed as a Senate document.

BILL INTRODUCED

Mr. WALSH introduced a bill (S. 3131) granting a pension to William Henry Coffey, which was read twice by its title and referred to the Committee on Pensions.

AGRICULTURAL RELIEF-AMENDMENTS

Mr. Bankhead, Mr. Bilbo, Mr. Copeland, Mr. George, and Mr. Russell each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which were severally ordered to lie on the table and to be printed.

A SUGGESTION TO CONGRESS-EDITORIAL BY OSCAR STAUFFER

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD "A Suggestion to Congress," made by Oscar Stauffer, of Arkansas City, Kans., president of the Stauffer Publications. The Stauffer Publications include the Arkansas City Traveler, Arkansas City, Kans.; the Pittsburg Headlight and the Pittsburg Sun, Pittsburg, Kans.; the Independence Reporter, Independence, Kans.; the Grand Island Daily Independent, Grand Island, Nebr.; the Maryville Daily Forum, Maryville, Mo.; and the Shawnee Morning News, the Shawnee Evening Star, and the KGFF Broadcasting Co., Shawnee, Okla.

One of the things Mr. Stauffer suggests is that the Federal Government, instead of penalizing employment through pay-roll taxes, should pay a premium to employers for every additional man placed on the pay roll, providing the additional funds through increasing income-tax rates, if neces-

I send the editorial suggestion to the desk and ask that it be printed as part of my remarks at this point in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The editorial is as follows:

A SUGGESTION TO CONGRESS

The bane of America since 1929 has been unemployment. How to get those who wish to work jobs remains the one big

Congress and the President are as anxious as anyone else that

Congress and the President are as anxious as anyone else that good jobs be provided for all.

Today, through the social-security laws, an employer is penalized 3 percent for each employee he puts to work.

If a business concern employs an additional workman today and pays that man \$1,700 a year, it must pay the Government an additional \$51 penalty for the privilege of providing work.

In addition the workman must pay 1 percent of his salary, or

In less than 30 days—to be exact, January 1, 1938—the employer will pay 4 percent pay-roll tax or penalty for giving employment, so that the penalty on a \$1,700 man for the employer is \$68 yearly. The employee's 1 percent remains the same for 1938.

Our suggestion would be to do away with this pay-roll tax on both the employee and employee.

both the employee and employer.

We want social security. But let's penalize idle capital that isn't giving men jobs. In any event, let's get this money else-

It might even be worth while for the Government to pay a small premium for each additional man employed over and above those on the pay rolls at some fixed date.

Even if the income tax on business must be raised to 20 or 30 percent, we believe employment can be solved by placing a premium on it rather than a penalty.

GOVERNMENT PURCHASE OF AMERICAN-PRODUCED SILVER-ADDRESS BY SENATOR ADAMS

[Mr. Johnson of Colorado asked and obtained leave to have printed in the Record an address by Senator Adams on the subject of Government Purchase of American-Produced Silver, delivered Friday, December 10, 1937, which appears in the Appendix.]

CONSUMER PROTECTION BY GOVERNMENT-ADDRESS BY ROBERT H. JACKSON

[Mr. O'Mahoney asked and obtained leave to have printed in the RECORD an address on Consumer Protection by Government, delivered by Robert H. Jackson, Assistant Attorney General of the United States, before the Consumers' National Federation in New York City, December 11, 1937, which appears in the Appendix.1

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

The next amendment was, on page 92, to strike out lines 6 and 7, as follows:

Title III-Soil Conservation and Domestic Allotment Act.

And in lieu thereof to insert:

Title VIII-Amendments to Soil Conservation and Domestic Allotment Act

The amendment was agreed to.

The next amendment was, on page 92, line 10, after the word "Sec.", to strike out "30" and insert "80", and after line 17, to insert:

(b) Section 8 (b) of such act, as amended, is amended by striking out the expression "or (4)" after the expression "required for domestic consumption", and inserting in lieu thereof the

"(4) their equitable share as determined by the Secretary of (4) their equitable share as determined by the Secretary of the national production of any commodity or commodities required for domestic consumption and exports adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 7 (2), or (5)."

Mr. McNARY. Mr. President, I wish either the Senator from Kansas [Mr. McGILL] or the Senator from Idaho [Mr. POPE] would state briefly the modification of the Soil Conservation Act intended by this section and the next one.

Mr. POPE. Mr. President, will the Senator yield?

Mr. McNARY. Yes.

Mr. POPE. My understanding is that the changes in the first section of the bill with reference to allotments of cotton, tobacco, and rice are here recognized in connection with the Soil Conservation Act; and, in general, the purpose of the two amendments is to make the Soil Conservation Act and the provisions for allotment of acres conform to the pending bill.

Mr. AUSTIN. Mr. President, will the Senator from Oregon permit me to ask the Senator from Idaho a question?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Vermont to ask a question of the Senator from Idaho?

Mr. McNARY. Certainly.

Mr. AUSTIN. Does the amendment of section 7 mean "section 7 (a)"? The reason why I ask the question is that I have great difficulty in finding any section 7 (2) or 7 (5). Indeed, I have not been able to find any such thing. I find section 7 (a), and, under that, five parenthetical subsections.

Mr. POPE. I understand that on line 4, page 93, "7 (2)" should be "7 (a)."

Mr. AUSTIN. Very well. Then this amendment means, as I understand—I desire to know whether this is correct or not-that it is intended to change the meaning of these

SEC. 7. (a) It is hereby declared to be the policy of this act also to secure, and the purposes of this act shall also include, * * * (2) promotion of the economic use and conservation of land; * * * (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the 5-year period August 1909–July

1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio.

There is a period there. Is that the end of the text of the Soil Conservation Act which is intended to be changed by this amendment, or is it calculated to cover all the remainder of section 7 (a) (5)?

Mr. LEE. Mr. President-

The PRESIDENT pro tempore. The Senator from Okla-

The Chair will state that at the time of recessing on Saturday the Senator from Oklahoma had not completed his address, and asked to be recognized again today. Other Senators today addressed the Chair first, and directed questions to the Senator from Idaho [Mr. POPE].

The Chair simply makes that statement to the Senate.

Mr. POPE. Mr. President, if the Senator will yield, I think we shall have to check that matter. The Department was requested by the Committee on Agriculture and Forestry to prepare amendments to the Soil Conservation Act to make it conform to the changes in this bill so far as payments are concerned. It is difficult for me to hear the Senator, and I did not understand all of his question. Therefore, I cannot answer his question in detail. I shall be glad to check the matter in a few moments, and shall endeavor to answer the Senator's question.

Mr. AUSTIN. I shall be glad to have the Senator do that. I think it is a matter which will bear a little study.

The PRESIDENT pro tempore. The Senator from Oklahoma is recognized. The amendment offered by the Senator from Oklahoma to the committee amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 82, between lines 21 and 22, it is proposed to insert the following new subsection:

(k) The payments paid by the Secretary to farmers under this act, and the Soil Conservation and Domestic Allotment Act, shall be divided among the landowners, tenants, and sharecroppers of any farm, with respect to which such payments are paid, in the same proportion that such landowners, tenants, and sharecroppers are entitled to share in the proceeds of the agricultural commodity with respect to which such payments are paid; and such payments shall be paid by the Secretary directly to the landowners, tenants, or sharecroppers entitled thereto: Provided, That notwithstanding the other provisions of this act and the provisions of the Soil Conservation and Domestic Allotment Act, if the total amount of such payments (except payments computed under section 6 (c) of this act) to any person with respect to any year would, except for the provisions of this proviso, exceed \$600, such amount shall be reduced by 25 percent of that part of the amount in excess of \$1,000 but not in excess of \$1,500 but not in excess of \$2,500; and by 95 percent of that part of the amount in excess of \$2,500 but not in excess of \$2,500.

Mr. LEE. Mr. President, I wish to make a brief explanation of the amendment which I proposed at the close of the session last Saturday.

This is not the amendment which I shall later offer in the form of a substitute. This is an amendment to the committee bill intended to graduate the payments to big producers. In both the speeches I made before the Senate, I used the expression of the advocates of the committee bill in stating that the committee bill could not graduate the payments; but, since that time I believe I have discovered a way in which it can be done on the committee bill.

The resolution passed by Congress in the closing days of the last session committed us to graduated payments to big producers. It was stated that any agricultural relief bill should contain a graduated ceiling in order to keep from making these tremendous payments to big producers.

Under the terms of my amendment the graduation of payments would start at \$600; that is, a farmer who received \$600 or under would not be affected by the graduation. Instead of the next \$400 that he would receive under the bill as it now stands, under the graduated scale he would receive three-fourths of that amount, or \$300. Then instead of on the next \$500 that he would receive under the committee bill as it stands now, he would receive under the graduation plan. 40 percent, or \$200. Then instead of the next \$1,000

that he would receive under the committee bill as it now reads, by the graduation scale he would receive 10 percent, or \$100. For all above \$2,500 he would receive only 5 percent.

I had printed in the Record last Saturday, appearing at page 1348 of the Record, a table which shows the graduation plan in its application. First I find that $97\frac{1}{2}$ percent of the farmers received payments of less than \$600. The average payment to farmers is \$100. Therefore the graduated plan would not affect $97\frac{1}{2}$ percent of the farmers. It would affect only $2\frac{1}{2}$ percent of them in round numbers.

Mr. SCHWELLENBACH. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Washington?

Mr. LEE. I yield.

Mr. SCHWELLENBACH. What percentage of the acreage does the $2\frac{1}{2}$ percent represent? Also what percent of the crops would the $2\frac{1}{2}$ percent produce?

Mr. LEE. If the Senator will look at the table on page 1348 of the Record and make the calculation, he will get the acreage. In the second column is shown 43,093,000 acres, the number of acres that would not be affected under the table of wheat payments for 1933. Underneath is given the acreage that would be affected, and if the Senator will add them together he will get the total, and I should be glad to have the figures appear in the Record.

When this graduated scale is applied to the payments of \$500,000,000 that we have appropriated for soil conservation we find that we would save \$30,000,000 out of that sum on the payments to only $2\frac{1}{2}$ percent of the contractors; in other words, 6 percent.

By adding the two columns I find that out of the first column the payments under the old plan amounted to \$96,-807,000, and under the proposed graduated scale the payments would amount to \$93,219,000, or a saving, on the basis of the first table, of \$3,588,000. On the basis of the second table we would make a saving of \$9,274,000, and on the two tables, which involve a payment of \$212,309,000, we would make a saving of \$12,862,000, or 6 percent on the total payment. Six percent of the \$500,000,000 is \$30,000,000 that would be saved by the application of this principle, and it would not affect $97\frac{1}{2}$ percent of the farmers. The \$30,000,000 would enable us either to increase the payments to the farmers who draw small payments or else to extend the payments to some who are not receiving payments under the present scale.

Let us apply this principle to some of the large payments which were made under the A. A. A. Here is one tobacco corporation in Florida to which we paid \$13,982.14 under this scale that corporation would receive \$1,774.11. To the Maxwell Corporation, of Louisiana, we paid \$14,214.12. Under this scale that corporation would receive \$1,785.71. To the Delta Pine & Land Co., of Mississippi, we paid \$60,388.06 and under this plan that company would receive \$4,094.40. To the State Penitentiary of Mississippi we paid \$37,488.40. Under this plan they would receive \$2,904.42.

Mr. BORAH. Mr. President, from what point in the RECORD is the Senator reading?

Mr. LEE. Page 1349 of the Congressional Record of Saturday, in the first column of the page. I am not reading all of the corporations to which we made payments above \$10,000 because there are too many of them.

To the Arizona Citrus Land Corporation we paid \$47,-682.47. Under the graduated scale that corporation would receive \$3,459.12.

It might be argued that if we do not give to these large corporations the full amount, they would not come in and cooperate and reduce their acreage. The \$3,459.12 is a goodly sum for a corporation to receive from the Government and for Congress to vote out of the taxpayers' pockets for the purpose of having the corporation improve the fertility of its own soil. I think they would cooperate voluntarily and accept that payment.

But if they should not cooperate, and here is where I believe the proposal would apply to the bill as reported by the committee, what could they do? They could refuse to sign that contract. But since only 2½ percent of the farmers are

affected and since it only takes 51 percent of them to sign the contracts to make them acceptable, it would not destroy the effectiveness of the law if 21/2 percent did fail to sign it. If enough of them stayed out so that their acreage threatened to upset the market, then we might be forced to the application of quotas. If the quotas were applied then the big corporation farms could not sell their commodities which they produce beyond the quota without a part of it being confiscated and the company penalized.

How could they defeat the provisions of the committee bill simply because we put this graduated ceiling in it? believe it can be applied to the terms of the bill as reported by the committee. It is in keeping with our resolution to which I have referred. It is in keeping with our desire to

make the money go as far as possible.

On December 1, at page 618 of the RECORD, I inserted a table showing the concentration of wealth of the United States. These figures were furnished me by the National Research Committee of the Department of the Interior. Five and one-half percent of the people of the United States own 541/2 percent of the wealth. The Government exerts a constant pressure toward the redistribution of wealth by use of graduated income tax and can further help toward a redistribution of wealth by a graduated method of expending the money so raised. This plan of scaling down the payments to big producers will further carry out that policy.

Mr. POPE. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. POPE. I am familiar with the amendment now being discussed by the Senator from Oklahoma. While I think it should be given careful study, yet in view of the fact that in all likelihood the bill will go to conference anyway, I am willing, so far as I am concerned, as one of the authors of the bill, to accept the amendment in order that it may go to conference for the working out of a suitable set of graduated

Mr. LEE. I thank the Senator, and with a few further

observations I shall not discuss it longer.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. LEE. Certainly.

Mr. NORRIS. I inquire of the Senator as to the exceptions to which the amendment does not apply, found on page 2 of the amendment, lines 4 and 5:

Except payments computed under section 6 (c) of this act.

Does that exception refer to the language commencing in line 18?

Mr. LEE. As I recall, it refers to some obligations which I have understood the Department of Agriculture had already incurred and I did not wish to make the scale retroactive.

Mr. NORRIS. I wondered if there were new obligations.

Mr. LEE. On that I cannot speak. That language was in the committee bill and I took for granted that it referred to some obligations which were already outstanding. I felt it would be unfair not to recognize them.

The Senator from Washington [Mr. Schwellenbach] has handed me the figures which we were discussing a few moments ago. The wheat acreage that would not be affected by this graduated scale would be 83 percent of the total wheat acreage. Eighty-three percent of the wheat acreage would not be affected under my amendment and 971/2 percent of the contractors would not be affected. As to the cotton acreage, 971/2 percent of the contractors would not be affected and 81 percent of the acreage would not be affected. I thank the Senator for that information.

Mr. BORAH. Mr. President, may I ask if the amendment was not accepted by the committee?

Mr. LEE. I am going to ask for a vote on it, since one of the members of the committee said it was acceptable to him so far as he was concerned.

Mr. NORRIS. Mr. President, as I understand, under the unanimous-consent agreement we are now considering committee amendments, and the amendment offered by the Senator could not be taken up at this time.

Mr. BARKLEY. It is an amendment to the committee amendment.

Mr. NORRIS. I did not understand it that way.

Mr. LEE. I asked the Parliamentarian about it, and I understood this amendment to be offered as an amendment to the committee amendment.

Mr. NORRIS. The committee amendment has already been agreed to, has it not?

Mr. BARKLEY. No.

Mr. NORRIS. Then it is all right. Mr. BARKLEY. Let us vote.

The PRESIDENT pro tempore. The amendment of the Senator from Oklahoma went over by unanimous consent on Saturday, and it is to be called up after the pending committee amendment is disposed of.

Mr. NORRIS. Is the Senator's amendment pending?

The PRESIDENT pro tempore. No; the pending amendment is the amendment of the committee on page 92, subsection (b) of section 8.

The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment of the committee.

Mr. AUSTIN. Mr. President, I was engaged when the vote was taken. I have some comments to make regarding the amendment on page 92, line 22, and I had desired to take the floor before the vote was taken.

The PRESIDENT pro tempore. Is there objection to a reconsideration of the vote by which the amendment was agreed to? The Chair hears none, and the vote is reconsidered.

Mr. AUSTIN. Mr. President, my interrogatory relating to the meaning of this committee amendment has not been answered, so that I will have to discuss it on the assumption that it is not intended to cover that part of section 7 (a) (5) which follows the period, to which I referred in my interrogatory. Perhaps the Senator from Idaho can answer my question now. If he can, I will gladly yield to him for the

Mr. POPE. Mr. President, I call attention to the fact that in section 8 (a) of the Soil Conservation Act there are matters to be taken into consideration by the Secretary in determining the amount of payments to be made under the Soil Conservation Act. Under subdivision (b) of section 8 the subdivisions are numbered 1, 2, 3, and 4. It is proposed that there be substituted another matter for consideration by the Secretary in making payments, which will be numbered "4", and the present No. 4, which is in a combination of the others, will be "5." So, in the amendment which appears at the bottom of page 92 of the pending bill is inserted the additional matter for consideration by the Secretary, beginning with the words "their equitable share as determined by the Secretary of the national production of any commodity or commodities", and so forth. That was made desirable by the different provisions of the bill. It is desired by the Secretary and by the committee that this other matter now in (4) be inserted in order that he might give consideration to this other matter in the making of the payments. That is the purpose of it. The other changes suggested in the amendment are to make the amendment conform with the provisions of the Soil Conservation Act.

Mr. AUSTIN. Mr. President, I regret that that does not answer my question. In fact, it is not responsive at all to my question.

I know that the text of the amendment does exactly what the Senator from Idaho says, but the text of the amendment refers to section 7 (2) or (5). I am trying to ascertain what the intention of the legislators is with respect to the scope of the amendment. So I asked whether it was intended to include the full of what appears in 7 (a) (5) or only that part of it which ends at the period, as shown in my interrogatory. Can the Senator answer that question?

Mr. POPE. In the first place, Mr. President, the reference is to 7 (a) rather than 7 (2), so in the amendment at the top of page 93, line 4, it should read "7 (a)."

Mr. AUSTIN. That is all settled. I understand that.

Mr. POPE. The "(5)" in the same line refers to subsection (b) under section (8) of the Soil Conservation Act.

Mr. AUSTIN. Subsection (b)?

Mr. POPE. Subsection (b), where the figure "4" is in parentheses. The intention was to so change those figures as to insert "4" in lieu of the 4 which now appears in the subsection (b) of section 8.

Mr. AUSTIN. Subsection (b) of section 7 is a wholly different matter. It reads as follows:

(b) The Secretary of Agriculture shall cooperate with the States in the execution of State plans to effectuate the purposes of this section, by making grants under this section to enable them to carry out such plans.

Mr. President, unless there is something further the Senator from Idaho wishes to say——

Mr. POPE. Mr. President, I was referring to subsection (b) of section 8.

Mr. AUSTIN. We are talking about section 7 (a) (5). If we can adhere to that long enough to understand what the proposal means, I should like to have us do so.

Mr. POPE. Mr. President, I should like to have inserted an explanation of these amendments which has been prepared, and I think the Senator from Vermont upon reading it would get the matter clearly in mind. I should like to have it printed following these remarks. It makes the matter clear.

Mr. AUSTIN. Mr. President, the sections which we are now attempting to modify are the power sections of the Soil Conservation Act. They are the sections which differentiate the particular bill we are considering and the act under which the farmers of the United States are acting, differentiating them with respect to the voluntary character of the Soil Conservation Act on the one hand and the coercive character of the bill we are now considering. As I view our situation, we do not desire, by amendments inserted in the pending bill, to convert what is apparently a workable and a sound law into one which must be declared void. These amendments if adopted in my opinion would have that tendency. The action must be limited of course to the particular amendment now pending on page 92, but in considering that question we will have to go through all the amendments under this title.

Whereas section 7 (a) provides what the Secretary of Agriculture shall do and shall not do, and whereas section (8) (b) declares with respect to his power that he shall do this and he shall not do that, it seems to me that we should not by this amendment transform the voluntary character of the Soil Conservation Act.

Let me call attention to what follows the period to which I have referred on page 158 of the Soil Conservation Act:

The powers conferred under sections 7 to 14, inclusive, of this act shall be used—

That is a command, it is affirmative-

to assist voluntary action calculated to effectuate the purposes specified in this section.

Now we come to a "shall not"; that is a prohibition:

Such powers shall not be used to discourage the production of supplies of food and fibers—

And so forth. In other words, here are two very essential differences between the pending bill and the act to which I am referring. The proposed legislation has for its objective a limitation of the supply of food—a curtailment of the supply of food. In its long and logical objective it has scarcity in view. The Soil Conservation Act protected plenty and protected the production of sufficient for human consumption in the United States. This was the protective clause:

Such powers shall not be used to discourage the production of supplies of foods and fibers—

And so forth. The other clause, relating to the voluntary character, provides that the powers granted "shall be used to assist voluntary action."

When we set out in the pending bill to conform the Soil Conservation Act with the pending bill by such amendments as we are now about to consider under title VIII of the bill, we are changing the objective of the exercise of the power of

the Secretary from that fundamental one of plenty contained in the Soil Conservation Act to the other fundamental one of scarcity contained in the pending bill. We are also changing from the administrative character of the Soil Conservation Act, which is voluntary in character, to compulsory administration under the pending bill.

I call special attention to a provision in the amendment on page 94. It begins at line 4, and read as follows:

Section 8 (b)-

Which is the section about which we are talking-

Section 8 (b) of such act, as amended, is amended by striking out the sentence "In carrying out the provisions of this section, the Secretary shall not have power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein" and by inserting in lieu thereof the following: "In carrying out the provisions of this section the Secretary shall have the power to enter into contracts with producers, but shall not have the power to acquire any land or any right or interest therein."

In other words, under the Soil Conservation Act, today we have the right of the farmer, which is untrammelled and which is not coerced by any threat of the suffering of a penalty or suffering a disadvantage which his neighbor does not face, a perfectly free right to enter into a contract with his Government and receive from his Government encouragement to voluntary acts on his farm.

The amount of his pay is measured by his conformance with certain standards and ideals of agricultural practice, and it is a wholly different proposition from the one we are here considering, because, whether the farmer goes in or stays out, he is not whipped for it; and if he goes in, he gets payment that is measured by that contribution to society which he makes in preserving and improving the fertility of the soil and carrying out that grand objective of plenty, the adequate production of the necessities of human life.

That is what we are dealing with here. A very important agricultural policy is being overturned, it seems to me. Our policy, I sincerely believe, should be for plenty, and for such an encouragement of the distribution of it that all people may have more instead of less. Our obligation under the Constitution is to keep our hands off the administration of laws relating to production of agricultural products. Laws that are compulsory, laws of a Federal or Central Government that undertake to compel an individual farmer on a small farm to conform to practices laid down in the regulations made by a bureau here in Washington, should not be enacted. So I think we ought not to make these changes.

Mr. ELLENDER. Mr. President, will the Senator yield?
Mr. AUSTIN. Mr. President, I do not wish to yield at this time.

The PRESIDENT pro tempore. The Chair is advised that the Senator's time on the amendment has expired.

Mr. AUSTIN. Mr. President, I do not want to use my time on the bill at this time.

Mr. POPE. Mr. President, I move that the following amendment be made, on page 93, in line 4, of the bill:

That after the figure "7" the letter "(a)" be inserted in

That after the figure "7" the letter "(a)" be inserted in lieu of "(2)", so that line 4 will read:

7 (a), or (5).

I also ask that as a part of my remarks an explanation of these amendments to the Soil Conservation Act be printed in the RECORD.

Mr. LA FOLLETTE. Mr. President, if we are going to vote on this proposition, I wish the Senator would explain it. It will not help us much to have the explanation to read after the vote is cast.

Mr. POPE. A large part of the explanation is technical, in explaining why certain numbered or lettered paragraphs have been changed in order to conform. The important thing about it is, as referred to by the Senator from Vermont [Mr. Austin], that on page 94 appears the provision that this part of the bill shall apply to contracts. It will be remembered that under the present Soil Conservation Act no contracts were permitted, but offers were made and acceptances were received. Since a provision is contained in this bill for con-

tracts for soil conservation, as well as for other things, this language is made to conform so that the provision in the original Soil Conservation Act prohibiting contracts will be modified to this extent.

Mr. LA FOLLETTE. The only purport of the change is to change it with regard to corn and wheat. It does not change the policy of the Soil Conservation Act, as I understand, with regard to commodities that come under a different kind of set-up. Is that correct?

Mr. POPE. That is correct. In addition to that there are certain matters which the Secretary will be given an opportunity to consider in making these payments, but they are matters which are necessary in order to conform to other provisions of this bill.

I think the amendment should be adopted as being in harmony with the other provisions of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Idaho [Mr. Pope] on page 93, line 4. Without objection-

Mr. JOHNSON of California. Mr. President, let us not adopt that amendment by unanimous consent. Let the Chair put the question. I, at least, desire to vote against it.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Idaho to the committee amendment on page 93, line 4. [Putting the question.] The ayes have it, and the amendment to the amendment is agreed to.

Without objection, the matter referred to by the Senator from Idaho [Mr. Pope] as being an explanation of his amendment which has just been agreed to will be printed in the RECORD at this point.

The matter referred to is as follows:

S. 2787. EXPLANATION OF TITLE VIII—AMENDMENTS TO SOIL CONSERVA TION AND DOMESTIC ALLOTMENT ACT

SEC. 80 (a): This subsection proposes to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by making applicable to such subsection (b), clause (5), of section 7 (a) of such act. Clauses (1), (2), (3), and (4) of section 7 (a) contain the purposes of said act with respect to soil conservation and the prevention of erosion and have always been applicable to the payments provided for in section 8 (b). Clause (5) relates to the reestablishment and maintenance of farm purchasing power and have been applicable only to payments in connection with State and has been applicable only to payments in connection with State plans under section 7. Clause (5) reads as follows:

"• • Reestablishment, at as rapid a rate as the Secretary of

Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the 5-year period August 1909–July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio."

Section 80 (b): This subsection proposes to establish an additional basis for measuring payments made pursuant to section 8 of the Soil Conservation and Domestic Allotment Act, namely, the equi-table share for each farmer of the amount of any commodity or commodities required to be produced for domestic consumption and exports, with adjustments to reflect the extent of conformity to exports, with adjustments to reflect the extent of conformity to farming practices which will best effectuate the purposes of the act. The effect of this amendment would be to permit payments under the conservation program to be made upon the basis of production allotments. This would be similar to the basis provided for parity payments on cotton, wheat, and corn.

Section 80 (c): This subsection proposes to incorporate a formula for determining rates of payments made upon the basis established under subsection 80 (b). Under this formula, equal weight would be given to each of the following factors in connection with each crop or group of crops:

crop or group of crops:

1. (a) The national acreage allotment for the crop.

(b) The average value of the production of each national acreage allotment

2. (a) The extent to which the national acreage allotment is less than the 10-year average acreage for the crop.

(b) The average value of the production on an acreage equal to that determined under 2 (a).

In the case of cotton, wheat, and corn the amount of payments

determined under this formula would be about the same proportion of the total as is proposed to be made available (sec. 64 (a)) for parity payments on these crops, namely, 55 percent of the total

appropriation.
Section 80 (d): This subsection proposes to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by providing that the Secretary may enter into contracts with

Section 80 (e): This proposed amendment makes the provisions of section 8 (c) of the Soil Conservation and Domestic Allotment Act, as amended, consistent with the proposed amendment of section 8 (b) of such act contained in section 80 (a) of title VIII.

COMPARATIVE PRINT OF SECTION 80 (B) AND (C) OF THE SOIL CONSER-VATION AND DOMESTIC ALLOTMENT ACT AS AMENDED BY TITLE VIII OF

(b) [Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses (1), (2), (3), and (4) of section 7 (a) by making] In order to carry out the purposes specified in section 7 (a) the Secretary shall have the power to make payments or grants of other aid to agricultural producers, including tenants and sharecroppers, in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or and sharecroppers, in amounts, determined by the Secretary to be fair and reasonable in connection with the effectuation of such purposes during the year with respect to which such payments or grants are made, and measured by, (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion, (2) changes in the use of their land, (3) a percentage of their normal production of any one or more agricultural commodities designated by the Secretary which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption, [or (4)] (4) their equitable share as determined by the Secretary of the national production of any commodity or commodities required for domestic consumption and exports adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 7 (a), or (5) any combination of the above. In determining the amount of any payment or grant measured by (1) or (2) the Secretary shall take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which such payment is made. In determining the amount of any payment or grant measured by (4), the Secretary shall take into consideration and give equal weight to (1) the national acreage required to be devoted to the crop or group of crops or to the practices designated by the Secretary for such farm pursuant to subsection (c) in order to provide adequately for domestic consumption and exports of any one or more agricultural commodities and to effectuate the purposes specified in section 7 (a), and the value of the production of such commodity or group of commodities on such in order to provide adequately for domestic consumption and exports of any one or more agricultural commodities and to effectuate the purposes specified in section 7 (a), and the value of the production of such commodity or group of commodities on such national acreage on the basis of average values for the 10 years immediately preceding the year in which such payment is determined and (2) the national average acreage devoted to the production of such commodity or commodities or to such practices during such 10-year period in excess of the national acreage required for such purposes and the value of production from such excess acreage on the basis of average values during the 10 years immediately preceding the year in which such payment is determined. In carrying out the provisions of this section, the Secretary shall, as far as practicable, protect the interests of tenants and sharecroppers. In carrying out the provisions of this section, the Secretary is authorized to utilize county and community committees of agricultural producers and the agricultural extension service, or other approved agencies. [In carrying out the provisions of this section the Secretary shall not have power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein. In carrying out the provisions of this section the Secretary shall have the power to acquire any land or any right or interest therein. In carrying out the provisions of this section the Secretary shall not have the power to acquire any land or any right or interest therein. In carrying out the provisions of this section the Secretary shell in every practicable meanner protect. right or interest therein. In carrying out the provisions of this section the Secretary shall, in every practicable manner, protect the interests of small producers. The Secretary in administering this section shall in every practical way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting commercial crops.

(c) Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tend to effectuate the purposes [specified in clause (1), (2), (3), or (4)] of section 7 (a).

The PRESIDENT pro tempore. The next amendment will

The next amendment of the committee was, on page 93, line 5, to insert the following:

(c) Section 8 (b) of such act, as amended, is amended by inserting after the expression "during the year with respect to which such payment is made" and before the expression "in carrying out the provisions of this section", the following:

"In determining the amount of any payment or grant measured by (4), the Secretary shall take into consideration and give equal weight to (1) the national acreage required to be devoted to the crop or group of crops or to the practices designated by the Secretary for such farm pursuant to subsection (c) in order to provide adequately for domestic consumption and exports of any one or more agricultural commodities and to effectuate the purposes specified in section 7 (a) and the value of the production of such section 7. more agricultural commodities and to effectuate the purposes specified in section 7 (a), and the value of the production of such commodity or group of commodities on such national acreage on the basis of average values for the 10 years immediately preceding the year in which such payment is determined, and (2) the national average acreage devoted to the production of such commodity or commodities or to such practices during such 10-year period in excess of the national acreage required for such purposes and the value of production from such excess acreage on the basis of average values during the 10 years immediately preceding the year in which such payment is determined." SINKING OF THE UNITED STATES GUNBOAT "PANAY"

Mr. REYNOLDS. Mr. President, when I stepped off the train this morning at 7 o'clock, after having come from one of the most beautiful sections of America, the mountainous section of western North Carolina, where is to be found "the little gem city of the mountains," my home city of Asheville, I made purchase of one of the daily newspapers of the city of Washington, and the first thing that greeted my eyes was the headline reading:

United States gunboat bombed and sunk by Japan.

Mr. President, I read in reference to the sinking of the gunboat the following, in part description of what took place on the river above Nanking, which created much excitement throughout America:

A capital immersed in its own affairs, and interested principally in a football game upon a quiet Sunday afternoon, was shocked and stunned last night by the news of the bombing and the sinking of an American gunboat and three Standard Oil tankers in the Yangtze River.

I desire to say to those who are here today that I am one person who was not surprised, and in proof of the fact that I was not surprised and that my predictions of Saturday were fulfilled yesterday, Sunday, the day following my statement on the floor of the Senate, I desire now to avail myself of the opportunity of reading from the Congressional Record that which I stated Saturday:

Mr. President, at the moment I addressed the Chair I was looking over a copy of one of the morning daily newspapers of Washington. I was endeavoring to locate an article which had been brought to my attention this morning by a friend in reference to some of our troops having been withdrawn from Chinese territory. I was interested in that article because I have repeatedly stated at various times within the past 2 months, throughout the United States, that I was of the opinion that we should withdraw our gunboats and soldiers from oriental waters and Asiatic soil. I was a bit fearful that we might become involved in war if another battleship Maine incident should occur in those waters.

Mr. BORAH. Mr. President-

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. REYNOLDS. I shall be delighted to yield to my colleague the Senator from Idaho.

Mr. BORAH. I have been unable to determine from the news that we have as to whether this gunboat was taking people out of the danger zone or whether it was accompanying, patroling, and policing oil ships into the danger zone. It seems we are in need of details.

Mr. REYNOLDS. I shall answer my distinguished colleague by stating that I have read very carefully the description of what occurred not only in the columns of the local newspapers of the city of Washington but also in the columns of the Times of New York City, and the description provided as to what happened does not enlighten me sufficiently upon that particular subject to answer my colleague intelligently. But I am very happy indeed that he directed that inquiry to me, for it provides me an opportunity to say a little something about the situation which exists over there today in China.

However, before answering in detail as best I can by a summarization, I desire to read further from the columns of this Washington newspaper which I now hold in my hand:

Not since the battleship *Maine* was blown up in Habana Harbor has there been a comparable moment in American history, and all through the night the lights blazed in War, the Navy, and State Departments, and in the White House.

All of which, Mr. President, resulted from the sinking of the gunboat in oriental or Chinese waters, in the Yangtze River, at a distance of approximately 50 or 60 miles from the ancient and walled city of Nanking.—Nanking, which has been under siege by Japanese troops for several days past, the old capital of China, with its 50-foot walls, a capital that indeed was ancient when Christ was a babe in the manger in Bethlehem.

For the past 2 months, in New York, Chicago, San Francisco, and in many other cities throughout this country I have repeatedly stated that our Government should withdraw our troops from the soil of China, and that our Government

should withdraw our boats from Asiatic waters, and now I believe that I have been warranted in making the statement that the time would come when we would regret having permitted our marines and gunboats to remain in the war zone of China where fighting is taking place daily.

Mr. BARKLEY. Mr. President, will the Senator yield? Mr. REYNOLDS. I yield.

Mr. BARKLEY. In connection with this unfortunate incident, I think it ought to be stated that for 100 years, by the consent of the Chinese Government and other governments involved there, these little gunboats have been permitted to remain in the Yangtze River for the protection of the nationals of those governments who were located there, and also for the purpose of suppressing piracy which has existed from time to time in that section of the world and in this particular river.

It ought to be stated that some time ago, in order to prevent the Japanese boats from getting up into that river, the Chinese Government obstructed it, so that this American gunboat probably could not have been gotten out even if its crew had wanted to do so. It was some 28 or 30 miles above Nanking, entirely away from the seat of actual activities around that city.

I do not at this time desire to enter into any discussion of this matter, because the State Department is handling it, and I am satisfied that a statement in due time will be made with reference to it by both governments; but it ought to be understood that this is no new adventure on the part of this gunboat or any other gunboat of our Nation or any other nation. They have been there and have been in the habit of being there for 100 years.

Mr. REYNOLDS. Yes, Mr. President. I want to state to our leader that I am in thorough accord with what he has to say in regard to what has been occurring over there. In other words, the statement he makes is, in part, correct. We have had gunboats over there for a number of years for the purpose of suppressing piracy. However, I think the time has come when we should stop trying to police the world. In other words, some of us want to make a chief of police out of Uncle Sam. Some of us are desirous of having our Uncle Sam don the uniform of chief of police, and making patrolmen out of our soldiers. The time has come when, in my opinion, we should stop endeavoring to police the world. If we want to do policing we have plenty of opportunities in this country.

Our most able head of the Bureau of Investigation in the Department of Justice, J. Edgar Hoover, stated not so long ago, if my recollection does not fail me, that in the United States today there were some 4,400,000 violators of the law; criminals. Just think of that! Four million, four hundred thousand! As many men violating the law, criminals, in the United States today as there were under arms and in uniform during our participation in the World War from April 1917 until November 1918. Now the time has arrived when we should quit trying to police the world. The time has arrived, certainly in Asia, when we should quit trying to get rid of China pirates. We have enough pirates and racketeers in this country without trying to look after them in other countries.

Mr. ASHURST. Mr. President-

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Arizona?

Mr. REYNOLDS. I shall be glad to yield to the Senator from Arizona.

Mr. ASHURST. Hearing on last Saturday the speech of the junior Senator from North Carolina [Mr. Reynolds] I made the mental note at that time that his speech was at one and the same time a prophecy and a warning.

The junior Senator from North Carolina is probably the Senate's most accomplished traveler. Certainly he has been in more foreign countries than any other Senator, and I think I may justly say that he has as wide a knowledge of foreign affairs as any of our Senators, with the exception of the members of our Committee on Foreign Relations. Indeed, I hope that next January, or when the steering com-

mittee meets, the able Senator from North Carolina will be added to the Committee on Foreign Relations.

I rose, however, to endorse what the Senator has said. If our troops, marines, or our vessels remain in these troubled spheres or troubled waters, some "incident" will occur; and our American people are as excitable as the French themselves. Such so-called "incident" may create great excitement. Great excitement may lead to some untoward accident or involvement, and since no Senator would vote for war in the present circumstances concerning the Orient, it seems to me a prudent thing, a just and proper thing to withdraw our activities from Asia at this time. I but quote another Senator, the able Senator from Michigan [Mr. Vandenberg], when I say that such policy may be hard on our cash registers, but it will be easier on our sons.

Mr. REYNOLDS. I wish to take this opportunity to thank with my full heart, and from the very bottom thereof, my able colleague from Arizona for the very high compliment and tribute he has seen fit to pay me at this time; and I am very happy indeed to know that he is in thorough accord with the views I now express with regard to the

Asiatic situation.

My distinguished friend the Senator from Idaho [Mr. Borah] a moment ago made mention of the fact that three oil tankers belonging to the Standard Oil Co. happened to be with the American gunboat at the time it was sunk. That brings on more complications. Whether or not that gunboat was providing protection for those Standard Oil ships, I do not know, but I imagine we shall ascertain something definite about that during the day; and, before I forget it, I wish to say that my remarks are not in any sense a criticism of our Secretary of State, because I know he is doing all that it is possible for any person to do, and I think he is one of the best Secretaries of State we have ever had.

In reference to the situation in China, and in particular reference to this Standard Oil business, as Senators know, our British brothers across the seas—who owe us several billion dollars and who will not even pay the interest on it—have been trying to get us to pull their chestnuts out of the fire. They have been doing their best to get us involved over in China. Why so? The British have their hands full with Mr. Mussolini. The British have their hands full with Mr. Hitler. The British have all they can do to keep unsevered their life line which extends from Liverpool southward to Gibraltar, through the Mediterranean, southward through the Suez Canal into the Red Sea and over the Indian Ocean, and onward to their possessions in India, the Straits Settlements, Borneo in the Dutch East Indies, and to Australia.

The PRESIDENT pro tempore. The time of the Senator from North Carolina on the amendment has expired.

Mr. REYNOLDS. I should like to take more time on the bill.

The PRESIDENT pro tempore. The Chair is informed by the clerks that the Senator's time on the bill has been consumed. The question is on agreeing to the amendment reported by the committee.

Mr. JOHNSON of California. Mr. President, I do not wish to take issue with anything that has been said by the Senator from North Carolina [Mr. Reynolds]. I want no war. I will go to any length to prevent a war of any sort or a war of any kind; but I do not wish by my silence to yield to the views which have been expressed on this floor at this time. More data will be at hand; we shall be able to judge more accurately within a very brief period.

I will not subscribe to the doctrine that Americans may be shot down if they are in some place where somebody does not want us. I will not subscribe to the idea that a gunboat of America may be blow to pieces because somebody may see fit to take a shot at her and then, subsequently, with tongue in cheek, say that he is "sorry" and apologize. I will not do any of these things; but I will not comment upon this particular incident because I do not believe sufficient facts are at hand. They will be at hand within the day, of course, or within 2 days. Then we may comment

upon them; and when we comment upon them, let us remember that we are Americans, and that we accord protection to American citizens throughout the world.

Mr. REYNOLDS. Mr. President, I desire to offer an amendment. On page 93 I move to strike out the words "and before the expression." I wish to take 15 minutes on the amendment.

As I stated a moment ago, when my time expired on the amendment which was then under discussion, our brothers across the sea, the British, have been endeavoring to get us to pull their chestnuts out of the fire in China; and they have a lot of chestnuts in the fire there. I will venture to say that the British have invested in China today something like \$3,000,000,000. Their investments there have been estimated at anywhere from \$1,500,000,000 to \$4,000,000,000. I believe I am placing a conservative estimate upon their investments when I say they amount to \$3,000,000,000.

In addition to that, Mr. President, as we all know, the British have their interests in the foreign settlements, the International Settlement at Shanghai—Shanghai, the largest city of China; Shanghai, the most prosperous port of China—and in addition to their interests there, the British are the possessors and the owners of the island of Hong Kong, upon which is to be found the city of Victoria.

To the north of the city of Victoria—or, as it is generally referred to, the city of Hong Kong—we find the city of Canton, which is a very prosperous city of Chinese territory, and I believe is the second largest port in China. At Canton we find that the French and the British have territory constituting what is referred to as the "foreign settlement"; and, as we all know, the British, as a matter of fact, control a very great portion of the trade, not only of Canton but also of Hong Kong. I may add that for many years past the British knew that the time would come when the Japanese would do just exactly what they are now doing—conquer that part or parts of China desired by them in the fullfillment of their long-cherished hope to bring about the establishment of the "empire of the east."

The French are equally interested with the British, because the French have large investments in China, and because, as we know, the French are the rulers of Indochina; and through Indochina, perhaps from Saigon, the capital, many arms, ammunition, and war materials from the British Empire have gone to the armies of the Chinese, whom the British are desirous of helping in order that their investments in China may be protected and preserved and in order that they, the British, may continue to profit by their trade and investments in China.

Mr. ASHURST. Mr. President, will the Senator yield to me?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Arizona?

Mr. REYNOLDS. I am glad to yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, there is in this world a deadly law of compensation which sooner or later does its perfect work.

It was, I believe, in 1932 that our then Secretary of State, Mr. Stimson, by cable and on the telephone, communicated with Sir John Simon, then Great Britain's Secretary of State for Foreign Affairs, and our Secretary of State then advised Sir John Simon that he, Mr. Stimson, would cooperate with Great Britain in an attempt to stop Japan from overrunning what was then called Manchuria, now Manchukuo. We had very few and scanty vital interests in Asia at that time. Great Britain had enormous vital interests there at that time and the most lamentable breakdown in statesmanship in history was when Sir John Simon, British Secretary of State for Foreign Affairs, failed to support our Secretary of State at that time. While we deplore the damaging and expensive results that may come to Great Britain from the present trouble in Asia, the law of compensation which does its perfect work is now active against British interests because Great Britain refused to support our Secretary of State, Mr. Stimson. Not a gun would have been fired, no expense larger than the cost of a cablegram

to Japan to stop would have been necessary and, if Sir John Simon had sent such cablegram, there would have been peace and tranquillity in Asia.

Mr. REYNOLDS. I thank the Senator for his very valuable contribution. I recall that incident. At that time I was not a Member of this body, but it was either in 1931 or 1932; our Secretary of State was Mr. Stimson. The gentleman in charge of the foreign affairs of the British Government was Sir John Simon.

Mr. ASHURST. Let me say that I join the Senator in his eulogy of our present Secretary of State, Mr. Hull, who has, I believe, done all that could or should be done by any Secretary of State in the circumstances.

Mr. REYNOLDS. He has done everything he possibly could do.

Mr. President, in reference to the matter mentioned a moment ago by my distinguished colleague from Arizona, I will state that it was either in 1931 or 1932 when the Secretary of State of the United States was Mr. Stimson, and the gentleman in charge of foreign affairs of the British Government was Sir John Simon. The Japanese then were engaged in biting off a chunk of China not far from the Russian border, and in the neighborhood of Outer Mongolia. The land that they took was then called Manchuria. We now refer to it as Manchukuo. Manchukuo, in size, equals the combined area of France and Germany, and has a population of approximately 120,000,000.

Our Secretary of State at that time, according to my recollection, wired those in charge of foreign affairs in Great Britain at London, because our Secretary of State knew that what Japan was doing was in violation of the nine-power pact, which pact had been suggested by Great Britain, and which pact was signed by the United States, by Great Britain, by Japan, by China, by Italy, by France, by Belgium, by the Netherlands, and by Portugal. They were the nine. Later, that pact was adhered to, agreed to as evidenced by signatures authorized by Norway, Mexico, and Bolivia; and Secretary Stimson at that time wired those in charge of the foreign affairs of the British Government stating that he would be more than happy to cooperate with them, because there was unquestionably a bold and dastardly violation of that pact.

Mr. ASHURST. Mr. President, will the Senator yield?
Mr. REYNOLDS. I am glad to yield to my friend from
Arizona.

Mr. ASHURST. Not only did Secretary Stimson cable, but he horoscoped the future. He foresaw what was going to happen, and he spent a considerable sum of money in telephone calls trying to talk to Sir John Simon in order to point out to him the necessity of standing to his agreement and observing the nine-power pact, advising the British Foreign Secretary what would be the baleful results of a failure to do so. Our Secretary of State, Mr. Stimson, foresaw with crystal clearness just what would happen, but received no support from Great Britain. In fact, Sir John Simon for 2 or 3 days evaded making any reply, and finally declined to cooperate with our Secretary of State, Mr. Stimson.

Mr. REYNOLDS. And just what Stimson thought then would happen did happen.

Mr. PEPPER. Mr. President-

Mr. REYNOLDS. I yield to the Senator from Florida.

Mr. PEPPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from North Carolina yield to the Senator from Florida?

Mr. REYNOLDS. I am delighted to yield.

Mr. PEPPER. I inquire of the Senator from North Carolina what he would suggest may be the ultimate influence upon international stability if by almost unanimous consent we have arrived at a time when treaties, however solemnly arrived at, mean simply what we castigated Germany for declaring in 1914 were "scraps of paper"?

Mr. REYNOLDS. If we are to arrive at a conclusion as to the worth of treaties nowadays on the basis of the experience of the past, they amount to no more than scraps of paper—and why do I say that? I say that because the able

Senator from Arizona [Mr. Ashurst] and I have just discussed the nine-power pact, the consideration of which was held recently in Brussels, Belgium, where the United States was represented by our ambassador at large, Mr. Norman Davis. In connection with that we have had violations of other treaties and other pacts. There was the Briand-Kellogg Pact. There was the Boxer protocol in 1904 which guaranteed that trade routes between inland China and Shanghai should be kept open and clear. Many pacts and agreements have been violated by Japan.

The United States has invested in China today, I venture to say, no more perhaps than \$250,000,000 or \$300,000,000; although in 1935, I am informed, we had about \$450,000,-000 or \$500,000,000 invested over there. We do not own any land over there. Unlike the French and unlike the British we have but small interests in China. It is true we are interested in the trade of China. It is very fine territory in which to secure business. China is about two-thirds the size of the United States and has a population of between 400,-000,000 and 500,000,000. They wear a great deal of cotton cloth and we want to sell that cotton cloth and other textile products to them, although they themselves are producing considerable cotton. It appears now as though the best portion of China is going to be taken by the Japanese, who have been bombing during the last month the ancient city of Nanking.

I am interested in keeping the United States out of war. The mothers of America are interested in keeping the United States out of war.

We remember—in fact, we cannot forget—that our participation in the World War, at which time we had under arms and in uniform 4,400,000 young men, has cost the taxpayers of America to date \$67,000,000,000 and before we get through paying the terriffic cost of that war the taxpayers of this country will be penalized over \$100,000,000,000.

The time has come when we of the United States ought to look after our own affairs, our affairs here at home, and keep our mouths out of other people's business—quarrels. We have enough to do at home, in our own country. What we should do, when Europe is preparing for war and when Asia is already at war, is to turn our eyes southward toward the 125,000,000 people residing within the respective political confines of Mexico, the countries of Central and South America, and those provinces and republics of the West Indies. We should interest ourselves down there in getting trade. Billions of dollars spent in trade annually are now enjoyed by Great Britain, Germany, Italy, the Japanese, and the French.

The first 7 months of this year Japan bought \$53,000,000 worth of cotton from us. In 1935, according to my recollection, the Japanese bought \$115,000,000 worth of cotton from us and they sent back into this country finished textile products to the extent of \$15,000,000. In other words, for every \$115 they gave us of the South, the whole people of the United States gave to Japan \$15. We dislike to lose that business, particularly those of use who live in the cotton-producing States of the United States.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. REYNOLDS subsequently said: Mr. President, I desire to add to the remarks which I submitted this morning a portion of a telegraphic dispatch to the Philadelphia Record, Philadelphia, Pa., sent from Des Moines, Iowa, under date of October 8, 1937, by one of our colleagues, the Honorable Clydz L. Herring, of Iowa, in which he said in part:

If our nationals wish to chase the dollar in war-ridden countries, let them do it at their own risk, but bring our soldiers and ships home.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. JOHNSON of Colorado. Mr. President, it is an anticlimax to me to follow the eloquent Senator from North Carolina [Mr. Reynolds], especially when he is talking of the great current problem of the day—foreign relations. I should like to ask the Senate to recur for a few minutes to a discussion of the pending farm bill.

Mr, President, I have listened with rapt attention to the prolonged discussion of the proposed so-called farm bill. It has been intensely interesting to me because most of my life has been spent in agricultural pursuits, either as a producing farmer or as the manager of a farmers' cooperative concerned with the marketing of agricultural commodities.

In other days I gave careful study to the debenture plan that was advanced by the National Grange and followed every step of the McNary-Haugen Act in its turbulent course through the Congress, and was stunned, as were so many farmers, by its veto by the President.

I am familiar with the disaster resulting from the unfortunate efforts of President Hoover's Farm Board. I watched the operations of the A. A. A., rejoiced in its accomplishments, criticized its weaknesses, and regretted its invalidation by the Supreme Court. I observed with great interest the efforts of the Canadian Government to secure farm equity through a government buying and storage program that only was saved from a major disaster by short crops in the United States brought about by a combination of drought and controlled production, and I am familiar with the coffee-storage scheme that had such a tragic, farreaching, and upsetting effect upon the economic and political life of our good South American neighbor, Brazil.

I know the pride and deep satisfaction of the man who gazes with affection upon his own broad acres and imagines in his weakness that he is master of what he surveys. I know the exhilaration and joys of an outdoor life. I know the hardship that follows a crop failure and the sweet music of raindrops on parched fields. I know the thrill of ploughing a furrow almost as straight as the course of the proverbial crow. I am interested in the farm problem primarily because I am a farmer born and bred. My father before me was a farmer, as was his father, and his ancestors for generations.

In short, while others may draw upon their imaginations to paint a vivid picture of the joys and miseries of farm life, I need but to recall actual experiences to memory.

I am glad that this special session of Congress has been called for the purpose of stabilizing agriculture. No Congress will ever be engaged in a better purpose. Congress has the opportunity to promote the welfare of America in a manner that will make our Nation happy and contented by establishing agriculture on an equitable basis and at the same time eliminating cruel hunger, or it may adopt, in a spirit of impatience and short-sightedness, a policy of agricultural restriction that will inevitably be followed by a national decline.

Indeed America needs above all other things agricultural stability, not only for the welfare of that large group of patient, patriotic producers of food, the men and women on our American farms, but for the welfare of every human in America created with a God-given and a God-imposed appetite for good things to eat.

Members of the Senate do not desire to vote against a farm bill; they do not wish to be misunderstood. Their knowledge of and their sincere sympathy for the farmers' situation is real and not just pretended. They know that when the farmer is prosperous the country will be prosperous. They want the farmers to think that they are striving with all their ability to work out a stubborn, unsolved, ancient problem. They do not want the RECORD to show that they have ever opposed a farm measure, even though the prospect of accomplishing much is not bright. I share that feeling, but at the same time I cannot sit silently and see Congress make what I believe to be a terrible mistake without voicing a vigorous protest. I have heard the able discussion on this bill day after day, and I have reluctantly and sorrowfully reached the realization that its passage in its present form will be the cruelest blow ever dealt America's farmers, America's hungry, and our country's future.

America is studded with sparkling social diamonds in the form of schools from ocean to ocean and from the Gulf to Canada, but there is hardly a school in this broad land—and I regret to say this—that does not have upon its rolls undernourished children and in the aggregate countless numbers of them. Surveys made by the welfare agencies disclose the startling fact that an unbelievably large percentage of the children of America are undernourished, some through parental ignorance and indifference, but far too many from a shortage in the home of meat and bread and milk. Go out on the streets in any city in America and you will find hungry men and women.

I need not dwell on that sordid picture. Every Senator is familiar with it, and yet we hesitate to deal courageously with it. The enactment into law by Congress of the philosophy of scarcity is willfully wicked, and especially so since we have been reminded time and time again by our great President—and his statement has never been successfully challenged—that one-third of our population is right now poorly clothed, poorly fed, and poorly housed.

Stripped of all of its high-sounding purposes and noble aspirations, stripped of its words without end, its calculations in higher mathematics and mysterious formulas, just what does the farm bill do? What are its functions? What are its effects? How does it operate? Every Senator should know the correct answers to these fundamental questions.

It deals with tobacco, rice, cotton, corn, and wheat, and indirectly it adversely affects all other agricultural production, especially changing and upsetting present methods of grazing and fattening hogs, cattle, and sheep. I shall not attempt to go into the details of operation of the bill in each of these branches of agriculture, but I do want to point out briefly some of its provisions pertaining to wheat.

For many years I have been interested in the growing, milling, and merchandising of wheat. In fact, I regard myself as somewhat of an expert on the subject. Here are some of the wheat provisions that are bothering me. The top price of wheat is fixed by this bill at a price some place between \$1.15 and \$1.21 per bushel through the automatic liquidation of the supplies in the ever-normal granary. The bottom price for wheat is fixed at 63 cents per bushel by loans that are authorized to be offered at that level.

The bill does not guarantee a parity price for wheat; in fact, for all practical purposes under its "protection to the consumer" provisions, it guarantees that there shall not be a parity price by compelling the Secretary of Agriculture, when such a price has been reached, to call loans secured by wheat, to release stocks of wheat held under seal and stocks of wheat held under marketing quota restrictions, and to dispose of stocks of wheat acquired by the loan corporation. It does not require much imagination to visualize what that method of dumping and forced liquidation will do to the wheat market and the so-called parity price. When the price of wheat even approaches parity, buyers will have a right to become very timid and will be careful to keep the price a little below parity and not cross that deadly line that will bring down upon their heads the flood of wheat in the ever-normal granary.

Another very drastic provision that is hard to understand—the wheat farmer is liable for an excess marketing penalty of approximately 60 cents a bushel for any unfair agricultural practice as designated by the Secretary of Agriculture. In other words, find him guilty of unfair practices and take his wheat away from him, just as is done in Russia.

A referendum is provided wherein the wheat farmer may choose to submit to a restrictive quota; but if one-third of the voters vote against such quota restriction, soil-conservation benefit and parity payments are cut off, and he cannot be given a Government loan on his wheat. In his extremity he must vote for a restrictive quota system, whether he personally likes it or not, or bring that terrible penalty upon all wheat farmers. It will not be voting as we vote in America. It will be like voting in Europe. "Vote, but vote right, or else!"

The bill would require the Secretary to allot a total of 67,400,000 acres for growing wheat among all the counties of America on the basis of the acreage devoted to the production of wheat during the last 10 years. Where does

that place our States and our counties? It denies my State of Colorado and my county of Moffat the privilege of wheat-acreage expansion. The eastern two-thirds of the State of Kansas will be given a permanent right to produce much of America's wheat supply, while Nebraska, Montana, the Dakotas, Colorado, and the great West generally will be permanently held to a low wheat acreage. Unfortunately for us, we stopped trying to grow wheat when the price reached the lows of the last few years, and now our acreage is to be frozen to that abnormal low.

Colorado perhaps would not object so strenuously to fixed quotas and to the freezing of present production experience into a permanent right and privilege to produce if we were given equal protection by fixed frozen quotas on the basis of our present production of cattle, sheep, hogs, potatoes, vegetables, and fruits. To deny Colorado the right to expand on her acreages of wheat or corn, and at the same time permit the rest of the country freedom to expand in the agricultural commodities which we now produce, is manifestly not equitable.

When this Congress announces to the world that we have adopted the spiral form of crop reduction, our foreign competitors will naturally rejoice and plan to expand their agricultural acreages accordingly. When and if this bill passes, I predict that great celebrations will be held in Canada, Mexico, South America, Africa, Australia, India, and, in fact, all over the world. They will celebrate because their foremost competitor has abandoned foreign markets.

Our great transportation systems are going into receivership now because they do not have enough business. What will become of them when 20,000,000 acres are taken out of corn, 10,000,000 acres out of wheat, and 25,000,000 acres out of cotton production?

In my opinion, no farm bill will meet the situation confronting America without incorporating into it these fundamental principles and policies:

First. Give the American market exclusively to the American farmer at a price that will be both fair to him and to the consumer.

Second. Authorize and direct the administration to distribute processed food and clothing to all deserving needy persons in America free.

Third. Provide an ever-normal granary sufficient to protect American consumers against crop failures and emergencies.

Fourth. Make no foolish effort to raise the world price of staple farm commodities by an enforced program of scarcity in America and do not encourage foreign agricultural expansion by a deliberate compulsory restriction of American production and willful abandonment of foreign markets.

Fifth. If a burdensome surplus of a staple farm commodity over and above our current and probable future need be produced, prorate such surplus to the farmers producing it and offer it on the world market at a price that will be acceptable, or, if conditions and circumstances warrant, dispose of it for foreign charity, but dispose of it.

In conclusion, I am compelled to say that the pending bill is contrary to every American tradition and is decidedly un-American both as to the agricultural policies and the administrative methods which it adopts. It is built upon the foundation of the wicked and false philosophy of the economy of scarcity. It deceives the farmers, who think they are to receive parity prices, while the bill actually contains no provisions for the payment of parity prices. The bill juggles the funds of the conservation program without giving the farmer additional benefits. It does, however, give him additional regulations with which he must comply to be eligible to receive the benefits already being given him under the Soil Conservation Act; in short, no additional revenue and no additional price, but many additional bureaucratic regulations.

It takes 55 percent of the conservation funds that now go to the farmers of Colorado and other States and uses these funds to make parity payments to cotton, wheat, and corn farmers. The potato, fruit, and vegetable farmers are penalized under the bill, because they lose 55 percent of the soil-conservation funds now available to them.

I have heard it stated in the cloak rooms many times that the bill will be rewritten in the conference room. I most sincerely hope that it will be rewritten.

My colleagues, I plead with you in the name of the American farmers, the American railroads, merchants and businessmen, the American unemployed, and the American undernourished to rewrite this bill. In the name of the more abundant life, the symbol of this administration, we must rewrite this bill.

The PRESIDING OFFICER (Mr. Duffy in the chair). The question is on agreeing to the amendment proposed by the Senator from North Carolina to the amendment of the committee.

Mr. AUSTIN. Mr. President, may the amendment be stated?

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 93, line 7, after the word "made", it is proposed to strike out the words "and before the expression."

The amendment to the amendment was rejected.

Mr. PEPPER. Mr. President, if it is in order at this time, and I think it is, I should like to have stated an amendment I have lying on the desk, to appear at the end of the committee amendment on page 94, between lines 3 and 4. I will appreciate having the amendment stated.

Mr. BARKLEY. Will not the Senator withhold his amendment a moment? We have not yet acted on the committee amendment to which the Senator from North Carolina proposed his amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment starting with line 5, page 93, and going through line 3 on page 94.

Mr. AUSTIN. Mr. President, I wish to ask a question about one phrase in the amendment before it is voted on.

The PRESIDING OFFICER. If there is to be debate, the Senator from Florida will be recognized, as he had addressed the chair.

Mr. PEPPER. Mr. President, does the Senator from Vermont have in mind discussing the amendment on page 93?

Mr. AUSTIN. I have no intention of taking the floor to discuss it; I wish to ask the sponsors of the bill a question.

Mr. PEPPER. I will be glad to yield until the Senator may complete his inquiry.

Mr. AUSTIN. Apparently this is an unfortunate time to ask the question. If the intention is to keep the question open until after the Senator from Florida shall have addressed the Senate, I am willing to wait until he shall have concluded.

Mr. BARKLEY. Is the Senator from Florida proposing an amendment to the committee amendment?

Mr. PEPPER. Yes; on page 94.

Mr. BARKLEY. If that is so, then the committee amendment should not be acted on until after the Senator's amendment may be acted on.

Mr. PEPPER. If the amendment I propose is germane, I should like to have it in the nature of an addition, under a different subhead, so it would be appropriate to go ahead on the committee amendment.

Mr. BARKLEY. If it is on a new subject, and is a new section or paragraph, it would not necessarily be an amendment to the committee amendment.

The PRESIDING OFFICER. The Chair understood the Senator from Florida to state that the amendment would not come at any point in the bill now designated as a committee amendment.

Mr. PEPPER. I thought the pertinent place was between lines 3 and 4 on page 94, but there is no reason why the previous matter should be held up, and I am willing to defer proffering the amendment until the matter on page 93 can be disposed of.

Mr. AUSTIN. I will ask my question, then, and perhaps someone can answer it.

Starting at line 9, on page 93, the text reads, "In determining the amount of any payment or grant measured by,"

which means that the amendment proposed would change the Soil Conservation Act so that the payments or benefits under a contract made with the Government would be determined in part or measured by the following subsection provisions. One of them is as follows:

(c) In order to provide adequately for domestic consumption and exports of any one or more agricultural commodities and to effectuate the purposes specified in section 7 (a), and the value of the production of such commodity or group of commoditue on such national acreage on the basis of average values for the 10 years immediately preceding the year in which such payment is determined.

My question is, Do the proponents of the bill intend to provide for a conflict here with the other parts of the bill which made the comparison with respect to corn and wheat with values during a base period between 1909 and 1914 and values in certain other years with respect to tobacco? I should like to have an explanation of this yardstick, for this is one of the yardsticks by which it is proposed to measure the payments which hereafter shall be made under the soil-conservation agreements.

What is the difference? What is the purpose? Are we now about to change the measure of those payments? If we are, we ought to understand it. It is an extremely important thing. We have tried the Soil Conservation Act with remarkable benefit to the country, and I do not like to proceed to amend it in an essential provision like this, the measurement of the payments thereunder to be made without knowing what I am doing; and I confess that on reading this I cannot tell what is meant. That is why I ask the question.

Mr. BANKHEAD. Mr. President, in answer to the Senator, if I can make a satisfactory answer to him, in the first place, I am not the sponsor of this formula and I have an amendment to suggest to the formula. I think it is proper that I should make that statement in the beginning. But I shall endeavor to answer as best I can, because the Senator's question is asked in good faith, and is a proper question.

The formula was prepared by the Department of Agriculture and sent to the committee, and it grows out of the constant controversy between producers of different commodities as to a proper division of the money available under the Soil Conservation Act. The Soil Conservation Act authorizes an appropriation of a fixed sum of money, \$500,000,000. It sets up different purposes for which the money may be expended, carrying out the soil-conservation and soil-building program. The Senator is familiar with that, and, as I understand, he just spoke in a commendatory way of the Soil Conservation Act itself. I was one of the joint authors of the act, and I am proud of it, too. But that act does not go into detail, nor does it set up a formula for the division of the money.

Mr. AUSTIN. Mr. President, will the Senator yield for a question at that point?

Mr. BANKHEAD. I vield.

Mr. AUSTIN. I hope it will not disturb the Senator.

Mr. BANKHEAD. Not at all.

Mr. AUSTIN. When the Senator makes the statement that it does not set up a formula I ask him if he regards what appears on page 160 of the laws relating to agriculture as a formula.

Mr. BANKHEAD. Is that the Soil Conservation and Domestic Allotment Act?

Mr. AUSTIN. Yes.

Mr. BANKHEAD. I have not it before me.

Mr. AUSTIN. Let me read:

Subject to the limitations provided in subsection (a) of this section, the Secretary shall have power to carry out the purposes specified in clauses * * * by making payments and grants * * * measured by (1) their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion, (2) changes in the use of their land, (3) a percentage of their normal production of any one or more agricultural commodities—

And so forth, and so forth, and so forth.

I ask the Senator, does he not regard that as the formula which heretofore the Secretary was bound to employ in measuring the amount of grants and payments under that law?

Mr. BANKHEAD. Mr. President, that does not state what percentage shall be given each of the factors, if they may be so termed, mentioned in the act. I do not regard that as a formula for a division of the money. It seems to me to be intended to specify activities in which the Soil Conservation Administration is directed to participate, rather than saying, for instance, what part of the money shall be spent on the potato growers, or what percentage of it shall be spent in the interest of promoting dairying or some of the basic commodities; and, as a result, it is my information that the producers of practically every commodity, or at least a number of them, have been criticizing the Department on the ground that they felt that the Secretary was not giving them a fair division of the money. Consequently, of course, that puts anybody vested with discretion on the spot, because, however fair he may try to be and however fair he may be, it is difficult to convince anyone who is interested that that is so. Therefore, if a suitable formula can be worked out, it would be well to work it out, and thereby indicate at least to the Secretary what the intention of the Congress is with respect to the division of this appropriation.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AUSTIN. As I understand what the Senator from Alabama has so well stated, it is that this is a new element introduced into the old formula. That is to say, the old formula provided for measurement of payments to an individual farm or farmer but did not undertake to prescribe the formula by which the amounts were to be allotted as between commodities. Is that the meaning of this amendment?

Mr. BANKHEAD. Not entirely; no. We could not well fix the amount that would go to each farmer without having some general knowledge of the amount of the commodity that at that time primarily would be produced. On the other hand, we could not fix the general amount without taking into consideration the number of farms engaged in that particular work, and further elements, such as the value of the production and the necessity for rotating crops in order to restore land and give it an opportunity to rebuild its fertility in different ways. So there are numerous elements involved, both in the individual farm allotment and in the amount to be apportioned to specific crops.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. AUSTIN. I can see quite plainly the benefit that may arise from a formula with reference to the division between tobacco and potatoes, for example; and yet I cannot see how an additional provision of this character is needed in view of the fact that the Secretary of Agriculture heretofore has been able to operate under the old formula without any apparent inequity or difficulty as between farmers. There may have been some experience as between commodities about which I know nothing which requires some legislation. If that is what this amendment means, I have no objection to it.

Mr. BANKHEAD. The Senator observes that the elements in the formula are very largely based upon acreage. No. 1 is the national acreage required to be devoted to the group of crops and No. 2 is the normal average acreage devoted to the production of such commodity during the 10-year period.

Those are the two chief factors which clearly indicate that the Department had in mind in submitting the amendment the quantity of acreage and the volume of production, and elements of that sort which are entirely different from a plan or formula dealing with a specific farm.

As I stated in the beginning, this formula was submitted by the Department because, I assume, they are hunting for some sort of relief from the pressure that has been brought by different groups and different sections and different areas with respect to the volume of work to be done in their communities and their sections under the soil-conservation program. This is an amendment, as the Senator from Vermont

properly noted, to the Soil Conservation Act. It applies to the administration of the entire soil-conservation program, and is not confined to the basic crops covered by this bill.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LA FOLLETTE. If that is true, can the Senator tell us how this amendment, if adopted, will change the policy under the Soil Conservation Act? Can he give us some approximation of its effect?

Mr. BANKHEAD. Mr. President, I referred to the Senator from Vermont [Mr. Austin] largely because others on the committee who have handled this matter are not here. I know in a general way, however, that what I have stated covers the situation so far as I have stated it.

Mr. LA FOLLETTE. If the Senator is correct in his statement that this amendment modifies the whole policy—

Mr. BANKHEAD. Mr. President, I did not say it modifies the policy. I say it fixes the policy. It takes the pressure off the Department.

Mr. LA FOLLETTE. Yes; but if it fixes the policy with regard to the entire Soil Conservation Act, then I think it is very important that the Senate should know the effect of the amendment before we are called on to vote on it.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield the floor.

Mr. ELLENDER. I would say to the Senator from Wisconsin [Mr. La Follette] and the Senator from Vermont [Mr. Austin] that the present method of making allocations under the Soil Conservation Act is defined in the act in rather general language, but in the administration of the act a formula has been adopted which consists of taking into consideration four different factors: First, one-fourth of the allotment is based on the number of acres in each crop; second, one-fourth of the allotment is based on the value of the crops grown on said acreage; third, one-fourth of the allotment is based on the number of acres by which the acreage was less than the average acreage for the past 10-year period; that is, the diverted acreage; and fourth, one-quarter on the value of the crops on that diverted acreage.

If Senators will examine the language beginning in line 9 on page 93, and ending in line 3 or page 94, they will find that the amendment under consideration writes into the law the more specific provisions of the formula which has been adopted in the administration of the law and combines factors one and two which I have just mentioned, and factors three and four. That is the only thing that has been done. I am informed by the Department that the method of allocating funds provided by this formula will not in any manner change the present method of allocation with respect to other crops.

Mr. AUSTIN. Mr. President, will the Senator yield to me for a question?

Mr. ELLENDER. I yield.

Mr. AUSTIN. Does the Senator from Louisiana believe that this amendment on pages 93 and 94 of the pending bill is directed solely at the division to be made or allotment to be made as between commodities, such as potatoes, tobacco, and such things, and that it is not directed at the amounts of payments or grants to be made to individual farmers?

Mr. ELLENDER. As I understand it, and as has been explained to me by the Department, it is as follows: Item 4, beginning in line 22, page 92, adds another factor which is to be used in measuring the payments on individual farms. The amendment beginning in line 9, on page 93, specifies the method to be used in allocating funds among the commodities. The funds thus allocated to each commodity would be used in determining the rate of payment which will apply in computing payments for individual farms under item 4, which, as I have mentioned, begins in line 22, on page 92.

Mr. AUSTIN. To what section does the Senator refer?
Mr. ELLENDER. I do not have the act before me, but we are now considering amendments to section 8 of the act.

Mr. POPE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. POPE. The fact that 55 percent of the soil-conservation appropriation will go to the three commodities of corn, wheat, and cotton, and the balance of 45 percent will be used for soil-conservation payments on all other commodities made necessary the adoption of the formula here in order, as the Senator from Vermont said a few moments ago, that each individual farm or commodity should have the same payments that are now being given to it. The only reason for this change is, as before indicated, that in dividing up the amount of the appropriation this change was necessary to continue the same sort of payments to all the other commodities which are now being made.

Mr. AUSTIN. Mr. President, I thank both the Senators for what they have stated. I have been unable to find in the Soil Conservation Act that provision to which the Senator from Louisiana refers. Probably it is there, but I am unable to find that formula. The formula I find is expressed in section 8 (b).

Mr. ELLENDER. Section 8 (b); yes.

Mr. AUSTIN. That does not refer to one-fourth of this and one-fourth of that. It refers to principles, and says that it shall be measured by, (1) their treatment or use of their land, and so forth; (2) changes in the use of their land; and (3) a percentage in the use of their production, and so forth.

Mr. ELLENDER. And four?

Mr. AUSTIN. And 4, which is stricken out already, did provide any combination of the four. Now we have amended that so that it is measured by an equitable share of something. Those are numerals. They are not fractions of the total.

Mr. ELLENDER. I understand that, Senator; but following the principles set forth the Secretary has used four factors, and in allocating funds among the commodities the Secretary has given a one-fourth weight to each of them. That is how that happens.

Mr. AUSTIN. Then I cannot see what benefit is to accrue to the public from a combination of Nos. 1 and 2 in one provision and Nos. 3 and 4 in another. In fact, I doubt very much whether the student of that amendment that we are now considering would apply it to farm payments. I doubt very much if the amendment expresses what the Senator from Louisiana desires to obtain, for it starts off with the words:

In determining the amount of any payment or grant.

And I think that if it refers to the division or allotment as between commodities or goods that it should start out with the words "in determining the proportion of any allotment to any commodities."

Mr. ELLENDER. Mr. President, if the Senator from Vermont will read on line 11, page 93, under "(1)," he will note that there is a combination under that section, up to line 21, of the two factors I mentioned a few minutes ago. Beginning with "(2)", on line 21, page 93, and ending with line 3, on page 94, there is a combination of the other two factors I have just mentioned.

As I stated, the purpose is to substitute specific language for general language, and I am informed by the Department that this combination will in no manner affect the present method of allocating funds for crops other than those mentioned in the bill.

Mr. AUSTIN. Mr. President, from reading or from listening to the very learned elucidation of the amendment, I cannot see any earthly use for its adoption.

Mr. ELLENDER. Mr. President, I have an amendment to offer on line 21, page 93, which I should like to have stated at this time. The amendment is to clarify the committee amendment in one particular. It is to be inserted after the words "average acreage."

The PRESIDING OFFICER (Mr. Brown of Michigan in the chair). The amendment offered by the Senator from Louisiana to the amendment reported by the committee will be stated.

The CHIEF CLERK. On page 93, line 21, after the word "acreage", it is proposed to insert a comma and the following:

Including in the applicable years acreages diverted from such production because of agricultural adjustment and soil-conservation programs.

Mr. GEORGE. Mr. President, I should like to have the Senator from Louisiana explain the purpose of that amendment.

Mr. ELLENDER. Mr. President, if the Senator from Georgia will refer to the bill, on line 21, the committee amendment states.

The national average acreage devoted to the production of such commodity.

What the amendment proposes is to add such acreage as may in the past have been diverted. The Senator well knows that quite a number of farmers followed the rules and regulations of the Soil Conservation Act, and diverted acreage and received benefits, whereas others did not. They found it more profitable to plant diverted acres in violation of the Soil Conservation Act. The purpose of this amendment is to put them all on the same footing, so that those farmers who followed the law will not be penalized.

Mr. GEORGE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

Mr. PEPPER. Mr. President, I desire to offer an amendment.

The PRESIDING OFFICER. Is the Senator's amendment to the committee amendment on page 93?

Mr. PEPPER. No; my amendment will come between lines 3 and 4 on page 94.

The PRESIDING OFFICER. The Chair is advised that the amendment would not be in order at that point at this time. It would have to be offered as an amendment to the committee amendment.

Mr. PEPPER. If I offer it in that way, can it be considered at the present time?

The PRESIDING OFFICER. Yes; it will be the pending question.

Mr. PEPPER. Very well; I offer the amendment to the committee amendment and ask that it be stated.

The CHIEF CLERK. As a part of the committee amendment, on page 94, after line 3, it is proposed to insert the following:

(k) Congress recognizes the insecurity which those engaged in agriculture and horticulture experience on account of hazards of weather to which their crops are subject and desires to do everyweather to which their crops are subject and desires to do everything possible to diminish such hazards and to stabilize agricultural yield against such hazards. Therefore the Secretary of Agriculture is authorized and directed to set aside and use, out of any sums appropriated for the purposes of the Soil Conservation and Domestic Allotment Act, as amended, the sum of \$150,000 annually, or so much thereof as may be required until such study is completed, in making a study of a feasible and practicable plan of crop insurance for fruits, vegetables, and other crops particularly subject to the hazards of weather, and to report his findings and recommendations with respect to such plan of crop insurance to the Congress at the earliest practicable date. earliest practicable date.

Mr. BANKHEAD. Mr. President, a parliamentary inquiry. Has the committee amendment on page 93, as amended, been acted upon?

The PRESIDING OFFICER. It has not been. Mr. BANKHEAD. I submit to the Senator from Florida that we ought to have that amendment acted on, because his amendment is not germane to this one. Then he may present his amendment.

The PRESIDING OFFICER. The Chair is advised that the amendment of the Senator from Florida could not be placed at any other position in the bill.

Mr. BANKHEAD. I ask unanimous consent that the Senator from Florida may have the privilege of offering his amendment as soon as the committee amendment has been disposed of

The PRESIDING OFFICER. Is there objection? Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the committee, as amended. Without objection, the amendment as amended is agreed to.

Mr. AUSTIN. Mr. President, I wish to register my objection to it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. PEPPER. Mr. President, I was one of those who gladly concurred in the call of the President for a special session of the Congress in aid of agriculture, because I felt that this was an opportunity for the Congress, with the attention of the country directed to the problem of agriculture. to make some substantial and fundamental achievement toward the solution of the pressing agricultural problem. I also entertained that view because Florida is an agricultural State to an extent not generally appreciated.

I desire to read just two short paragraphs from the Canadian Geographical Journal for November 1937, which carries, on page 263, an interesting synposis of the agricultural activities of Florida.

Reading from that article, I observe the following:

Its agricultural and horticultural operations are scattered from the Perdido River on its western border to the lime groves of Monroe County, a distance via Alabama and Georgia State lines and the Atlantic Ocean of 900 miles. There are now 72,857 farms, which are increasing in number at the rate of 115 farms per month. More than 100 kinds of productive soils are known and classified, on which are grown practically every crop known to temperate, semitropical, and tropical zones.

Approximately 100 or our crops are commercial. According to daily accurate records kept by the State marketing bureau, Florida produced during the 1936-37 season an equivalent of 163,000 cars of fruits and vegetables with a gross value of \$108,000,000. These figures include 102,827 carloads of citrus fruits, with a

gross value of \$68,838,000.

The total agricultural investment in Florida is approximately \$800,000,000. Its gross income during the 1936-37 season was \$160,000,000.

In addition to that, from the Blue Book of Southern Progress, published in 1937 by the Manufacturers' Record Publishing Co., it appears that the South's total farm-crop acreage in 1900 was 97,423,000. In 1936 it was 117,267,200. Of those acres, Florida had in cultivation 1,459,800 in 1936.

In 1936, of the value of all southern farm crops, amounting to \$2,437,227,000, Florida—without citrus being included—had \$85,018,000 in yield value, but in the value of farm commercial crops of a truck character Florida led the whole South, her products in 1936 having a gross value of \$24,143,000, of a total of \$68,784,000 for the entire South, consisting, I believe, of some 15 different States.

For that reason, Mr. President, we are vitally interested in the question of agriculture and such relief as may be available for that great industry.

Also, it may not be generally known that our agricultural interest covers, generally speaking, these subjects:

Corn, cotton, hay, potatoes, tobacco, oranges, sweetpotatoes, tomatoes, peanuts, grapes, soybeans, lettuce, strawberries, peas, grapefruit, sugarcane, cabbage, beans, celery, onions, cantaloups, velvetbeans, cowpeas, cane sirup, sweet corn, dry field peas, watermelons, cucumbers, cauliflower, pecans, peppers, artichokes, beets, and eggplant.

Mr. President, some days ago, when we were just entering upon the question of agricultural relief, I humbly expressed the opinion that the public was expecting the Congress to make some fundamental approach to this problem.

I have not been altogether pleased by the restrictions which the bill has imposed upon agricultural production. A good many fears enter my mind as to the condition in which we may find ourselves in the future if we go too rigidly into crop control.

I have a great degree of sympathy for the views which were so ably and so elequently expressed by the senior Senator from Idaho [Mr. Borah] in giving recognition to the need for the widest possible distribution of our agricultural commodities so that the largest possible number of persons will be able to enjoy them; and I do not want ever, at any time, to adopt here, even for the protection of the farmer, a policy which will to an excessive degree limit the ability and the capacity of the needy consumers of the country to have the food and the clothing to which they are entitled.

However, I am willing to yield my judgment to that of Senators who are better informed than I am on this subject. I know the committee have made a conscientious effort to bring out a farm bill which will have a very great degree of relief about it. I know they have labored diligently and very honestly in their efforts to prepare this bill. Of course the public at large is somewhat in doubt as to why they picked out only five commodities, and did not extend their agricultural relief to all commodities.

I have before me a list of 67 different farm commodities, each one of which was grown in this country in 1935-36 in quantity yield in excess of \$114,000, ranging from kale, with \$114,000 yield in the year 1935-36, up to corn, with a yield

of \$1,509,000,000 in the same period.

We here in the Congress know that the five commodities dealt with by the bill have been selected because of the fact that the prices of those commodities have suffered a greater disparity in relation to industrial wages than have the other crops I have just mentioned. For example, on page 5 of the publication of the United States Department of Agriculture for October 1937 the indexes of the various commodities in relation to the yield of industrial workers are shown, and the disparity is greater with grain and cotton products than it is with fruits and vegetables and other crops. Nevertheless, fruits and vegetables are subject to certain hazards to which the other crops are not subject. I have before me regrettable evidence of that fact, because during the past few days a cold wave has reached the agricultural and the truck-growing section of Florida. I have, for instance, a letter which says to me:

As you have seen by the papers, the vegetable crops in the Lake region were wiped out by the recent frost.

I have a telegram which tells me that the county agent advises that the cold in the past two nights caused 10 percent damage to vegetables in a certain county.

I have another telegram which says that 85 percent loss occurred in the immediate vicinity of another section on account of the cold damage to truck crops in that area.

That, together with my knowledge of the subject, leads me to believe that we cannot afford-and what I say is no less true of other States than of Florida-to let the Senate pass this farm bill without doing something fundamental toward crop insurance.

I desire to commend here, as I previously have, the able junior Senator from Idaho [Mr. Pope] for the initiative and enterprise which he has shown in respect to the fundamental question of crop insurance. I think the Congress has dealt with no question which shall longer or more gratefully be remembered than the question of crop insurance in relation to agriculture, because I know what a terrible toll crop hazards are taking every year from the toil of the farmers. As evidenced by the statement made on the floor of the Senate by the junior Senator from Idaho [Mr. Pope] the farmers. while the hearings before the Committee on Agriculture and Forestry were being held, expressed even a larger and greater enthusiasm for crop insurance than they did for crop control. So I commend the junior Senator from Idaho for the fine work he has done in respect to this important subject.

I wish it were possible for us, at the present session and in the present bill, to do something substantial in the way of a general provision for crop insurance. I wish the committee were able at this time to write language into the bill which would be adequate to cover the subject of crop insurance, but I do not believe it is fair to expect them to do that with the information they now have at hand. The Department of Agriculture have given us advice that they have not yet accumulated sufficient information. They do not yet have adequate data to devise a practical and feasible plan of crop insurance. Therefore, Mr. President, my amendment is designed for the purpose of supplying that deficiency of information.

I remind Senators that in the last session I was the author of Senate resolution 108 which was passed by the Senate and which directed the Secretary of Agriculture to make a study of a plan of crop insurance for fruits and vegetables and to report that plan back to the Senate at the earliest practicable time. From the files of the Senate Committee on Agriculture and Forestry I have the response of the Secretary with reference to that resolution, in which he advises that it will take some time to procure the information, that it will require a statistical staff to devote itself to its procurement, and that he has no fund presently appropriated to enable him to do it. Hence I have offered the pending amendment which is designed to afford the Secretary a fund of not to exceed \$150,000 a year, with the direction to the Secretary to use so much of that fund as may be required to make a study "of a feasible and practical plan of crop insurance for fruits and vegetables and other crops particularly subject to the hazards of weather, and to report his findings and recommendations with respect to such plan of crop insurance to the Congress at the earliest practicable

The funds for that appropriation are to be deducted from the appropriation already made for soil-conservation payments. What better use could possibly be made of that relatively small amount of money than to allow the Secretary to make an intelligent and sustained investigation of a feasible and practical plan for crop insurance? I may say that I have conferred with Department of Agriculture officials who are cognizant of the subject. They are cognizant of the amendment and they give their hearty approval to it. I believe, if we incorporate the amendment in the bill, we will be able to return to the people, the apple growers of New York, the Middle West, and the other sections of the country, the citrus growers of the South, the vegetable producers of the entire country, and tell them that we have in this bill a sensible and intelligent approach to a practical and feasible plan for crop insurance. I believe we will live to see the day when we will harken back to the beginning of crop insurance made in this bill and say it was one of the substantial achievements of this Congress.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. PEPPER. I yield. Mr. McGILL. Would the Senator be willing to modify his amendment so as to eliminate the words "annually until such investigation is complete"? In other words, would the Senator be willing to limit his amendment to one appropriation of \$150,000 and depend upon future Congresses to make such additional appropriations as might appear to be necessary?

Mr. PEPPER. Mr. President, I do not want the Senator to misunderstand my declination to accept that suggestion. I decline to adopt the suggestion, because there again we have indicated to the country that we are through dealing with the subject for some time. If we do not believe in the subject and do not believe something real and substantial should be done, as the Senator from Oregon [Mr. McNary] and many other Senators have been contending for a long time, then let us abandon it. If we approve of it, let us enable the Secretary of Agriculture to carry on a sensible and continued program dealing with the subject, but place it entirely within his discretion as to how much of this money he shall spend.

The PRESIDING OFFICER. The time of the Senator from Florida on the amendment has expired.

SINKING OF THE UNITED STATES GUNBOAT "PANAY"

Mr. WALSH. Mr. President, I desire to call the attention of the Senate to two matters which are of some urgency. First, I desire to present a statement furnished by the Navy Department to the Senate Committee on Naval Affairs concerning the bombing of the United States gunboat Panay by the Japanese. I am also presenting some figures from the Navy Department which set forth the number of naval personnel in China.

The statement from the Navy Department is as follows:

The U.S. S. Panay, a gunboat of 450 tons displacement, placed in service September 10, 1928, at an approximate cost of \$260,000, a unit of the Yangtze patrol, United States Asiatic Fleet, has occupied a station at Nanking during recent months to afford refuge and protection to the United States Embassy and staff and United States citizens in Nanking.

On December 8, that part of the Embassy staff which had not On December 8, that part of the Embassy staff which had not accompanied the Embassy to Hankow, evacuated the Embassy and took refuge on the Panay. Nine other United States citizens also sought safety on board the Panay. On December 12, the Panay moved up the Yangtze River in order to get clear of the attack area. At about 1:30 p. m., Sunday, December 12, the Panay and three tankers of the Standard Oil Co. of New York were attacked by Japanese bombing planes. This occurred at about 27 miles up the river from Nanking, near the town of Hohsien. The Panay was sunk and the tankers sunk or set on fire. First reports indicated that 54 survivors had reached shore, including the four members of the Embassy staff, the captain and executive officer, both of whom were injured; and that one en-

listed man had been killed.

The commander in chief, Asiatic Fleet, will report names of survivors as soon as possible and estimates that there are about six more unaccounted for from the *Panay* and the three Standard Oil more unaccounted for from the *Panay* and the three Standard Oil ships. The H. M. S. Bee, steaming from Wuhu, the nearest large city upriver, has arrived at Hohsien and is endeavoring to find and assist the survivors. The U. S. S. Oahu, also a gunboat of the Yangtze patrol, is on her way down the river from Kinklang and expects to arrive on the morning of the 14th (Tuesday). The Japanese commander in chief, Admiral Hasegawa, at Shanghai, has instructed the Japanese gunboat Hozu to proceed from Nanking to assist, and also plans to send a seaplane with a surgeon and medical supplies.

Ships of the Yangtze patrol and other naval vessels at various

Ships of the Yangtze patrol and other naval vessels at various points in the present disturbed area are so stationed in accordance with Navy regulations for the protection of American lives and property. Other nations with similar interests in China maintain the same practice as regards naval vessels in that area.

Let me add some information that the press has not heretofore carried: The Japanese bombed at least one English gunboat and two English merchant ships, killing one English sailor and injuring several others.

I think the bombing of the English naval and merchant vessels took place first, and that these vessels were located approximately 7 to 10 miles from the American gunboat that was bombed later by the Japanese airplanes.

Mr. President, that is all the information I have on that subject. I now desire to turn to another subject.

Mr. MINTON. Mr. President, before the Senator leaves that subject may I ask him to yield to me?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Indiana?

Mr. WALSH. I yield.

Mr. MINTON. It has been intimated on the floor that the Panay was up the Yangtze River to protect the oil tankers of the Standard Oil Co. Does the Senator have any information to bear out that insinuation?

Mr. WALSH. I only know what is contained in the statement which I have just read, to the effect that representatives of the American Embassy had sought refuge on the gunboat and also six other American citizens. It undoubtedly was in the vicinity of and near the Standard Oil tankers, and I understand these tankers had refugees on board. It is quite possible the tankers were accompanying the Panay for protection.

Mr. MINTON. The Department did not advise the Senator that the gunboats were up there for the purpose of protecting the Standard Oil vessels?

Mr. WALSH. I have no such information. Mr. MINTON. I thank the Senator.

Mr. WALSH. The Navy personnel in China is as follows:

a. North China _____ 2, 461 b. South China____ Total afloat__ B. Shore stations (and with Marines) Total naval personnel______2,950 MARINES At Shanghai_____ At Peiping____ Total Marines ashore 3,114
Marines afloat (ships) 167 Total Marines_____ 3, 281

FIXING OF MINIMUM PRICES BY BITUMINOUS COAL COMMISSION

Mr. WALSH. Mr. President, I desire to invite attention to the new minimum prices of bituminous coal which have been promulgated by the National Bituminous Coal Commission and which are in the main very much higher than have heretofore prevailed.

The increased prices impose new burdens upon the railroads and upon industry and indeed upon almost all the consumers of coal and will result in increasing the Nation's annual bills by hundreds of millions of dollars. One educational institution in my State estimates that the increased cost placed upon them by reason of this increased price will be \$10,000 per year. It is estimated the increased costs to the railroads and other large industrial consumers will run into hundreds of millions.

These increase prices have been decreed by the Commission without any public hearings and without any disclosure of the facts or the figures upon which the Commission bases its orders, and without any apparent justification in the absence of detailed information.

They were issued only a few days ago and are scheduled to become effective within a week. When various consumers of the country protested and requested a hearing, the Commission, I understand, agreed to grant a hearing in the future; but when request was made that the order increasing the rates be suspended until after the hearing, that request up to this hour has been refused.

The publication of the Commission's orders, scheduled to be effective next Thursday, December 16, has precipitated an avalanche of protests from consumers of coal in New England and elsewhere throughout the Nation, and, indeed, many of the producers of coal are protesting and challenging the higher price schedules which the Commission is now undertaking to impose. It is alleged that the prices in many cases are excessive and discriminatory and ruinous and utterly without warrant.

It is pertinent to note that included among the vigorous and sweeping criticisms and protests are those of the consumer's counsel division of the Commission itself, a division which Congress expressly provided for in the act creating the Commission, for the express purpose of safeguarding the consumers of coal from excessive prices and to protect in all respects the consumers' interests.

It is perfectly apparent that the course which the Commission has elected to follow in itself fixing minimum prices in secret and undertaking to put them into effect on short notice, without any advance hearings is wholly contrary to the intent and spirit of the act and very possibly is contrary to the letter of the law-although as to that, it is for the courts to say.

I see no occasion for such arbitrary and precipitate action and can conceive of no possible justification of it. The conditions within the bituminous coal industry which the Commission was designed to remedy have been of long standing. Government price fixing in this highly competitive industry, to be applicable to endless varieties of coal produced in dozens of different coal fields under widely varying conditions, is at best a proposition of great complexity and of far-reaching consequences.

The Commission can have no valid excuse for hasty and arbitrary action. No harm will be done by postponing the effective date of the new schedules pending public hearings and full opportunity for full examination and for correction of inequities. Simple justice clearly requires such a course.

I find it hard to believe that the Commission will persist in its present refusal to postpone the effective date and defer

the operation of the new price schedules.

If, however, the Commission does persist in this refusal, I look to see not only injunction suits and other proceedings in the courts but also intervention by Congress, by whatever means seems most appropriate, to curb the Commission and to obtain the relief for the consumers which the Commission is indisposed to accord.

Congress enacted the Bituminous Coal Conservation Act after considerable controversy and with a good deal of reluctance. Unless the Commission adopts a very different policy and pursues very different methods, in my opinion there will be great agitation and demand for repeal of the law and abolition of the Commission will be in order.

Mr. President, I am addressing the Senate at this time in order that the views expressed here may find a response in the Senate of the United States and in the hope and expectation that the Commission will not continue, as it has up to the present hour done, to enforce the order increasing the price of bituminous coal, which in many sections of the country will amount to at least 50 cents per ton of an increase. I sincerely hope that for the sake of orderly procedure and for the sake of not putting the Congress of the

United States in the position of passing a law increasing prices by a bureau without a public hearing on any commodity, the Commission will grant a hearing before taking action.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. GUFFEY. Has the Senator communicated with the Bituminous Coal Commission?

Mr. WALSH. I have communicated with the consumers'

Mr. GUFFEY. I asked the Senator whether he had communicated with the Bituminous Coal Commission.

Mr. WALSH. I have not; I have communicated with the officer appointed by law, who is the representative and protector of the consumers.

Mr. GUFFEY. But the Senator has not asked the Coal Commission about their position?

Mr. WALSH. I learned from this gentleman what the position of the Commission was and the attitude of the Commission.

Mr. GUFFEY. That is all I wanted to know.

Mr. WALSH. I have heard from him and other consumers as to what their position was.

Mr. GUFFEY. I think they are entitled to be asked.

AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. HAYDEN. Mr. President, I ask to correct a table entitled "Cotton statistics relative to Senate bill 2787," which appears on page 1318 of the Congressional Record of December 11. There is an error in the final column. The total of that column, which indicates that the increased number of bales of cotton which is added to the national quota of 10,090,000 bales would be 393,000 bales, whereas a correct addition of the column shows the figure to be 520,000, or an increase of 127,000 bales, thereby making the correct allotment for the entire country 10,609,000 bales of cotton.

After this mistake was brought to my attention, I communicated with the officials of the Department of Agriculture, who prepared the table. They have submitted a corrected tabulation, which I ask unanimous consent to have printed in the Record.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cotton statistics relating to S. 2787

State	Acreage in culti- vation July 1, 1937	5-year average yield per acre, 1933-371	Production, 478- pound bales (column (1) times column (2) di- vided by 478)	Produc- tion, 70 percent of col- umn (3)	Allot- ment, S. 2787	Allot- ment under amend- ment	Increase of column (6) over allot- ment under 8. 2787
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Virginia North Carolina. South Carolina. Georgia. Florida Missouri Tennessee. Alabama Mississippi Louisiana Texas Oklahoma Arkansas New Mexico Arizona California Others i	1,000 acres 64 1,109 1,689 2,653 118 537 976 2,634 3,446 1,561 12,896 2,530 3,096 2,230 144 282 618 30	Pounds 272 803 264 237 156 6 340 254 232 264 238 147 118 218 441 419 535 535 272	1,000 bales 38 703 933 1,315 399 382 519 1,279 1,903 777 3,966 625 1,412 247 692 17	1,000 bales 492 492 653 921 227 267 363 895 1,332 544 438 988 983 173 484 412	1,000 bales 28 505 619 897 25 214 351 890 1, 269 530 2, 803 521 929 80 126 290 12	1,000 bales 28 505 653 921 27 267 363 895 1,332 544 2,803 521 988 983 173 484 412	1,000 bales 34 24 2 53 12 63 14
Total	34, 383	202. 9	14, 978	10, 483	10, 090	10, 609	520

¹⁹³⁷ planted yield based on Nov. 1 crop report.

Includes Illinois, Kentucky, and Kansas.

Mr. HAYDEN. In explanation of how the error came about, I read an extract from a letter written to me by Mr. E. D. White, principal agricultural economist of the southern division of the Agricultural Adjustment Administration, who states:

We are submitting a revised copy of the table, Cotton Statistics Relating to S. 2787, which was given to you by Mr. Mershon on December 10. At that time Mr. Mershon thought it was fully understood that the 393,000 bales shown as a total in column (6) was the difference between the totals of column (4) and column (5) and not the addition of the increases in the State allotments under the amendment in column (6).

Mr. President, I have asked to have this correction made so that the Senate and the House conferees may have complete and accurate information when the amendment which I offered on December 11 is under consideration at the time the differences between the two Houses on the pending bill are to be adjusted.

Mr. GEORGE. Mr. President, I desire to ask the Senator from Arizona whether in the correction of the table the total allotted to each State as indicated by him originally, has been increased?

Mr. HAYDEN. No; the totals have been changed in no way. There was simply a mistake in addition.

Mr. GEORGE. I am glad the Senator has made this correction. I merely desire to call attention to the fact that the oldest cotton-producing area in the United States is quite willing to have production increased, or at least is not opposing an increase in production, in the areas where cotton production is new. I hope the Senate may observe something of the same liberality when we are asked, as we shortly will be, perhaps, to circumscribe the farmers in the Southeast and to prevent them utilizing diverted acreage for any other cash crop.

Mr. President, I wish to say just a word about the order of the Bituminous Coal Commission. I stood in my place in this body and voted against the first bill designed to give this extraordinary power to any commission, to raise the price upon an absolutely indispensable necessity of life in order to benefit another group of Americans. I said in my place here that if the courts functioned at all the act could not possibly stand.

The first act went the way it should have gone. It was not fair, and it reflected no very great credit upon the Congress when it placed upon the doorstep of the Supreme Court of the United States the necessity of declaring what was palpably contrary to the Constitution of the United States invalid. But the Supreme Court met its obligation and did declare the act unconstitutional.

I stood in my place here when the particular bill under which the Coal Commission is now acting was passed, and voted against it, too, and there was not then, and there is not now, any course to pursue except to vote against such a bill outright, unless one expects to have prices arbitrarily, as it were, increased by a commission, without notice, and in secrecy, as the distinguished Senator from Massachusetts has pointed out.

It is of very little consequence whether it is without notice or in secrecy; this Commission was created for the purpose of increasing arbitrarily the price of an indispensable necessity of human life. I say arbitrarily because whenever we are called upon merely to add something to the price of an article or a commodity which it does not otherwise bear by fiat or action we are acting arbitrarily of course.

Mr. President, I desire to say one other thing, and if the party which has through a century of time insisted upon equal rights to all and special privileges to none does not go back to its doctrine, there will be many apologies here upon the floor of the Senate for actions taken.

We simply cannot legislate for classes in the United States without hurting some other class. We simply cannot resort to class legislation without inflicting injury upon some other class of Americans.

The purpose of the measure was good. Coal miners were receiving, we were told, a mere pittance as a wage, that they were living under conditions under which they could not subsist; but when a Senator felt that he could not support the

Includes Illinois, Kentucky, and Kanss Southern Division, Dec. 13, 1937.

type of legislation it was an easy matter to condemn him among groups in the country.

Now we have the Coal Commission, as the Senator from Massachusetts says, acting in secrecy, without notice, paying no attention to its own agent, that is, the Consumers' Counsel, raising the price of coal in some communities, if I understood the Senator, at least a dollar a ton, at a time when farm commodities have gone down, down below the cost of production, considerably below the cost of production.

Mr. WALSH. Mr. President, will the Senator yield? Mr. GEORGE. I yield.

Mr. WALSH. I understand the increased prices vary with the number of coal fields and the number of miners in the various coal fields, and that the schedule covers 24 pages of increased prices, depending upon where the coal comes from. In my section of the country it is estimated that the average is 50 cents per ton.

Mr. GEORGE. Perhaps I misunderstood the Senator. He says 50 cents per ton; and that is done by a commission created for the purpose of raising prices upon this great commodity. Now that farm products have gone below the cost of production, we are considering another farm bill. I am doing my best and will do my best to see that the farm bill treats all farmers, whether they are little farmers, or have followed sensible, balanced programs of farming during the last several years, to treat all alike. But I am conscious of the fact that the pending bill is not a farm bill. It is not a farm bill at all. All it does is to adopt the simple philosophy and reasoning that by greatly restricting production it is possible to run the price up. Certainly that is possible. But what is going to happen when the restrictions are taken off. Where will the price go then, and what are the restrictions to do to the product?

Will restrictions result in the use of substitutes? Will they further take us out of every foreign market in the world if we are on an export basis? I am conscious of the fact that all we are doing, all we are attempting to do, is merely to

restrict production.

If that is an answer to a problem such as the farm problem, it is the simplest thing in the world to have done it long, long ago. There are benefits to be given. I do not know that there will be benefits beyond those that are now given under the Soil Conservation Act; but even if there are additional benefits to be given, they do nothing with the problem of agriculture. The whole system of benefits may be described as simply a device for distributing public money, aside from the fact that the Soil Conservation Act was intended by the Congress to preserve our soil and to prevent the erosion and wastage of the soil. That was a good purpose and a good objective. So far as I know, that is all the money that will be distributed under this farm bill. But if there is any additional money, it might as well be distributed to particular groups in the country, and we might as well call the bill a bill for the relief of the Indians as a bill for the relief of agriculture, except that we are simply distributing the money to farmers. There is nothing in the legislation that has to do with the problem of the expansion of production and the distribution of the product, which is inexorably wrapped up in any sensible solution of the farm problem.

We do not touch it. We simply say we will restrict the production of corn and wheat and cotton, the necessities of life, and we will run up the price thereby. The farmer needs the increased prices, I grant that; but when restrictions are taken off, then what do we face? Will not the farmer's condition be worse than it is today? Does not anyone who is familiar with farm problems know that when we take off restrictions the condition will be worse than it is now? There is but one excuse for restrictions, in my opinion, and that is the reason I voted for the old A. A. A., and that is the reason I can vote for this bill, and that is that when an extraordinary emergency arises, with an unexpected and disastrous and destructive surplus, we may temporarily tackle the problem by the proper disposition of that surplus, and that does and may involve, and I think in the case of cotton-perhaps in the case of other crops, but I do not knowthat does involve some restriction on production. But the point I am making is that we simply restrict production. And when we lift the restrictions, as undoubtedly we willas the American farmer will sooner or later-when we lift the restrictions we have done nothing whatsoever to solve the farm problem.

Mr. President, it does seem to me that we ought to go to the question of the distribution of farm products; we should be unwilling to say that we are considering a farm program

without doing something that is permanent.

I have the conviction that if our party, the Democratic Party, with the greatest opportunity to legislate in behalf of the common weal that has come to any party in America in my generation at least-I have the conviction that if we cannot return to the fundamental doctrine of equal rights in our legislation, setting our faces like flint against special privileges to special groups, that we will have lost the opportunity for many many years to come to meet the demands of the country.

The Coal Commission—arbitrarily putting up prices. Did we not create it for that purpose? We said the prices were too low, and created a commission to take into consideration certain things and reach a conclusion, which, of course, would mean the advance of prices. I do not mean to say that the price of coal ought not to be advanced. I have every sympathy for the men who labor in the mines-certainly I have. But I do say that if we are going to single out groups and grant them special privileges, that we may expect to face precisely what is taking place in America today.

We are worried because there is a recession in business, of course. It is not necessary to discuss why there is a recession in business. But one undoubted reason why business cannot go along normally, cannot flow along evenly, is the creation of special privilege here and there for this group and for that group; vesting in the hands of boards and bureaus in Washington arbitrary power to disregard natural and economic law.

I almost apologize to mention the law of supply and demand here, but if our legislation does not run along in line with it, we will have a recession again. There are elements in the principle that may be regarded in legislation, but we cannot arbitrarily set it aside and say we are going to fix prices here in a great country like the United States. That course means that prices will be burdensome and high, and they will be burdensome and hard upon people who are just as helpless as the group we are trying to benefit. Higher prices will come at a time undoubtedly when consumers have less purchasing power; when they are least able to stand higher prices. And so we have that situation in coal. We may have it in something else.

So far as cotton is concerned there is, of course, an unusual surplus of cotton. That is our problem. The sensible way might not get many votes, because it does not make much appeal. If we wanted to say to the Government to buy cotton because of this unusual and abnormal surplus this year, and if we put the Government in the field to buy it at or below the cost of production, we would be on a sound basis. Take it off and let economic laws then begin to function. I do not know precisely what the cost of production is, but I know that the price of cotton today is below the cost of production, and the simple and easy way would be to go in and say that the Government proposes to establish as a policy the purchase of unusual surpluses as long as the prices are at or below the cost of production. That we are not going to be concerned about the consequences of a program of that kind, because we are not going to put this cotton back on the market, either in the form of finished or of a raw product, as long as that condition exists.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. GEORGE. I will take a little time on the bill, Mr. President.

That would solve our cotton problem. Establish it as a permanent policy and it would solve the cotton problem. And you would not have to go into the Treasury to do it. You would utilize the banking resources of the country, and you would also call to our assistance the credit

of the Government. But the cotton itself, at the cost of production or below the cost of production, is of more value than every ounce of gold owned by the Government. And cotton always will be worth more than gold when it is purchased at and below the cost of producing it; and the banks of the country can take it off and will take it off and will carry it. And you have only Government credit back of it. You do not have to take a dollar out of the Federal Treasury except to pay the cost of administering

I said that we must have regard to the law of supply and demand. We have had people in this country who thought that we could disregard that law, and they have figured that it is all wrong; and somehow that you had to abolish it, and they thought they could abolish it. There is a time element in the law of supply and demand that may properly come within the jurisdiction of the Congress. We may for the moment produce more than at the moment can be used or consumed; but, barring the time element, there is not any way to solve the cotton problem that does not take into consideration the law of supply and demand.

We may flatter ourselves that there is some way around it, but there is not. But when we have an uneconomic condition, brought about by an abnormal production, which may not occur again in many years, may not occur again in 20 years, the Government can step in and can retire the surplus from the market, as long as it buys the surplus, which is the disturbing factor, at the cost of production or below it.

Mr. NORRIS. Mr. President-

Mr. GEORGE. I yield to the Senator from Nebraska.

Mr. NORRIS. I wish the Senator would explain a little more fully what, in his judgment, would be necessary if the Government should purchase this surplus, what it would be necessary for the banks to do, and what would become of the surplus.

I do not quite understand the program the Senator has mapped out. What would prevent the surplus from increasing? Would there not be danger, especially in the case of cotton, of the surplus becoming greater every year; and what would be done with the surplus? How could the Government take it over without spending any money?

Mr. GEORGE. The Government can finance its purchase without spending any money. There is nothing involved except Government credit and funds that are available for the purchase of the surplus. If I may say so to the Senator from Nebraska, if we are going to buy cotton above the market price or above the cost of producing it, we shall encourage the farmer to increase his surplus, or at least we shall encourage him to make an effort to do so. If, however, it is purchased below the cost of producing it or at the cost of production-and ordinarily we do not have the condition of cotton going below the cost of production except in the case of a great surplus-there is not that inducement to the farmer to increase his production; and I was about to say, and I think I can say with all accuracy. that, despite a possible effort to reproduce the 1937 cotton crop, in all probability we could not do so at any time within the next 10 years. In 1937 we had a combination of circumstances and conditions, natural and otherwise, which led to the production of a very great crop of cotton.

I think the principle I am advocating is sound in business as long as the Government says, "When you have a surplus we will take it off the market, and we will keep it off the market, but we will do it not by any valorization scheme. We will do it at the cost of producing the crop, or, if it has already dropped below that point, below the cost of producing the crop." I think that will leave the American cotton farmer face-to-face with the fact that his Government has taken off the market a portion of his 1937 crop, for instance, but it has taken it off not at a price that will induce him to go out and make another surplus. We shall have to come back sooner or later to the conviction and to the conclusion that we must make our law harmonious with the basic principle of business which applies everywhere, all the time, under all circumstances. We shall have a regulation in our price, but

we shall not have if it we buy cotton beyond the market. We shall not have it if we buy cotton at a profit and take the surplus off the market at a profit to the producer. In that case, of course, the producer will do as he always is going to do, try to produce another big surplus, so that the Government will take that off the market. But we shall have the law of supply and demand operating, and we shall have eliminated the element of time, if the Government comes into the picture and says, "As long as the condition obtains that your price is below the cost of production by virtue of the very height to which you have carried production in this year, the Government will take it off the market."

Of course, the Government will have to be sufficiently courageous not to yield to political pressure and go out on the market and sell this cotton under conditions which will destroy the market.

Mr. SMITH. Mr. President, may I ask the Senator a question?

Mr. GEORGE. I shall be glad to yield to the Senator from South Carolina.

Mr. SMITH. The Senator from Nebraska [Mr. Norris] asked a very pertinent question. There is already in existence such a tremendous surplus under the action of the bill that we are now framing, looking toward the curtailment of production that to wait until this surplus has become manifest, and therefore there is the opportunity of taking some of the surplus, will take 2 or 3 years. But if the Government will step in and relieve the terrible pressure to the extent that we hope this bill ultimately will do, the two things fitting in exactly together, we shall anticipate the reduction by virtue of relieving the pressure temporarily, as the Senator says, not above the cost of production. Therefore if, in the coming year, the farmers disregard the law of supply and demand and increase their surplus, there is nothing to keep the Government from protecting itself by marketing the surplus.

I think the two things go hand in hand.

Mr. PEPPER. Mr. President—
Mr. GEORGE. My time is very limited, but I will yield to the Senator in just a moment.

Mr. President, I have said, and I wish to repeat the statement, that I have no faith whatever in the theory that we shall even approach a sound solution of the agricultural problem by merely restricting production in order to get a better price-none whatever.

I never have believed in it; I do not now believe in it; and more and more the American people will come to disbelieve in it. I do believe that in a year when we have conditions which have united to produce a staggering surplus of one of the great crops, we may then restrict production, but only as a temporary means of getting rid of the surplus.

We have a condition in the United States and in the world with respect to cotton at this time which demands, as the Senator from South Carolina [Mr. SMITH] has said, the application of both a program of restriction in future years, at least during the next 2 years, and, I think, also the exercise by the Government of the power to step into the market and take off the market a part of this unusual surplus, because when the quantity of cotton available in the markets of the world is considered, and when we consider the size of our own crop plus our carry-over, even a program of drastic restriction cannot possibly reflect itself in any very great advance in the value of the 1938 crop of cotton unless we shall have also taken off the market a part of the 1937

I know that my views will not be very popular with some of our friends here and elsewhere; but I wish to make the earnest plea that we follow our heads and that we follow our judgment, and that we ask the Government to buy this great commodity, cotton, only while it is below the cost of production, or at least no longer than it reaches the cost of producing it. In no other way can the Government help us. In no other way can the program of purchase by the Government be of long-time assistance to the American farmer.

If Congress will do that, so far as cotton is concerned, and allow us to restrict our production even drastically for 1 or 2 years, we can solve our cotton problem. At least we shall have taken the necessary steps looking toward a solution of our problem, particularly if we then give some attention to a wider use and distribution of cotton at home and abroad.

Mr. President, I cannot understand, and I would not have any of my friends in Georgia who produce cotton think that I can approve as a long-time, permanent program, the drastic restriction of production so far as cotton is concerned. I know that it cannot permanently improve our condition. I know that all it can do is to bring us constantly nearer and nearer to the point where we shall be producing cotton for our own markets only, when we shall have given up all hope of controlling at any fair or profitable prices any part of the foreign market.

Mr. President, I know full well that when once we are producing cotton for the American market only, when once we accept that program, we shall follow that program to its logical conclusion, and its logical conclusion will be holding out inducement to substitute after substitute.

What I am trying to say is that if we want to solve this problem, we shall have to solve it as a business problem; that if we want the Government to help us, all that we ought to ask of the Government in the years of abnormal production is to step in and say, "We will handle your surplus at the cost of producing it, or below that cost if the market price has fallen that low."

The ever-normal granary in this bill is not what I am talking about; but the Secretary of Agriculture, be it said to his credit, had in mind an ever-normal-granary principle when he suggested the provisions of this bill. In other words, the principle which the Secretary originally announced was in line with what I am now declaring to be the only sound policy that we, as cotton producers, can follow. But the ever-normal-granary theory has been expanded in the Senate and by organizations of farmers elsewhere until we have thrown it out of harmony with the principle I am trying to emphasize.

Mr. President, we have seen through all the years, in the stock market, in the bond market, in the commodity markets, in all the markets, this attempt to valorize a product or a commodity. We have seen nations try it. We have seen countries discard it. We know where it will lead, when all the while what we really need is an established policy on the part of the Government to step into the farm situation whenever any basic farm product goes below the cost of production and take that product off the market, even if it has to be given away to those who need it later on, or even if it has to be in a measure destroyed. That is quite another question; but as long as the Government acts only when the commodity is below the cost of production, it, as long as we maintain a sensible program of production, we are on a perfectly sound basis and we can hope to prosper.

Mr. President, I think we should do that. I think the Government should do exactly what I am saying, and should do it without hesitancy, because everyone knows that the tariff does lay certain burdens upon a producer. There is no doubt about that. There never was any doubt about it. Alexander Hamilton, in his great treatise on manufactures, very clearly pointed out that the antidote to the manufacturer's tariff was a bounty to the producer of raw materials whenever the country, in its progress and development, reached the point where that bounty became necessary. That bounty is necessary. That bounty is necessary in the case of cotton. That bounty is necessary in the case of wheat. That bounty is necessary in the case of any farm crop at least which is on an export basis. It probably is necessary in the case of farm products generally; that is to say, the nonperishable crops. Of course, when we get into the field of perishable products we have a different problem. But it is necessary in the United States now; and we cannot do anything with the farm problem that does not look to a frank, honest, definite recognition of the fact that the Government

has to step in, whether it wishes to do so or not, when a nonperishable product falls below the cost of producing it, because the farmers in some unfavorable years produce more than the markets at home and abroad, insofar as the market abroad is available to us, will consume.

If the Government is not willing to take that long step, and then if it is not willing to expand the markets at home and expand them abroad to the utmost, we have not touched the farm problem. We can devise some means or methods of giving money direct to the farmer, and that, of course, is helpful, because if the farmer is producing at a loss he has to have some assistance in order to keep his head above water; but even at best and on the average they cannot keep their heads above water under that kind of program.

We must recognize that the time element in the law of supply and demand is a materially vital element. It is a materially vital fact, and there is the legitimate field, as I think, for Government to step in and to bring together the supply and demand by entering the field and taking off the surplus whenever nature has given us a surplus of food or materials with which to clothe ourselves.

Mr. McGILL. Mr. President, will the Senator from Georgia yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Kansas?

Mr. GEORGE. I am glad to yield.

Mr. McGILL. I have been very much interested in what the senior Senator from Georgia has had to say. It seems to me, however, unless some method of wider distribution were provided, the program probably would not work any better than some other programs have worked.

I desire to invite his attention to certain facts. He has named what I regard to be the two basic commodities which I believe have a direct bearing upon the price of every other commodity, namely, cotton and wheat. I invite his attention to the fact that normally we produce annually in the United States 800,000,000 bushels of wheat. Very seldom do we fall below that figure. We produced this year 887,000,000 bushels of wheat. Our export market has not taken as much as 50,000,000 bushels in any one year since 1930. We consume approximately in the way of food 500,000,000 bushels. We use for seed about 75,000,000 bushels and for feed about 60,000,000 bushels, making a total consumption of around 635,000,000 bushels.

It would seem to me that under the Senator's program it would be necessary to engage upon a permanent policy of the Government each year purchasing and holding in some manner or other off the market about 150,000,000 to 200,000,000 bushels of wheat. Unless there is some method of distribution other than we have, the program would lead to the storing of an immense quantity of wheat in this country and be destructive of commodity prices.

Mr. GEORGE. Mr. President, I have no fear that we would create an immense surplus quantity of any farm commodity if we should let the law of supply and demand and the ordinary business principles apply; but if we are going to yield to the temptation of putting the Government, either through an ever-normal granary or by direct purchases, into the market to take off the surplus at an advanced price, and one that holds out encouragement to the producer to again disregard business principles and sound business practices, we would create a supply which could not be handled and which could not be controlled.

Mr. President, when I arose I had not expected to say anything more than I said with reference to the Coal Commission and to offer two amendments which I shall later urge to the bill. But it seems so clear to me that if we go on with the policy and program of trying to grant special privileges to groups, however deserving those groups are of aid and assistance and however necessary it is to do something for them, if we are going to meet that demand upon their part—and, let us say, an entirely justified and worthy demand—by mere extension of the program of special privilege, we are not going to get anywhere, and we are not going to solve anything.

I want to say again—and I think the proponent of the cotton section of the bill will find himself in full agreementthat there is no justification for the drastic restrictions of cotton production in 1938 and 1939 which are possible under the terms of this bill unless we have and recognize frankly a surplus that is staggering and that will inevitably prevent prices for cotton during the next 2 years from rising to a profitable level. I may state also that he will recognize the fact that in order to make this program, which we are willing to accept so far as cotton is concerned in view of this emergency, in view of a condition which existed first in 1933 when we approached the problem, and which has again come upon us-in order to make the program of restricted production such as we have authorized in this bill effective, the Government itself ought to come in and say that the present surplus will be taken out of the market at or below the cost of pro-

Mr. President, every farmer thereafter in 1938 and 1939 would know two things. He would know there was a large quantity of cotton which the Government had taken off the market and he would know the Government had taken it up at or below the cost of producing it. He would know that he had to conform to a reasonably sensible balanced program of farming in order to get back on his feet. There would be every reason of economics, every reason that may find support in natural law, to yield to a sensible program of production so far as future years are concerned.

But the very moment that we say we want to buy cotton above the market and above the cost of producing it that very moment we break down any program of restricted control that we may launch here or hereafter in the Congress. We have to recognize that fact as a basic one if we wish to help the American farmer.

Mr. President, I shall support the bill. I am going to vote for some amendments to it, but I am going to support the bill because I know that we face a national emergency so far as cotton is concerned. I accept the statement made by other Senators with reference to other farm products. But I want to go beyond it and insist that, if we want to make effective our control program we ought to adopt now a sensible supplementary program putting the Government definitely and distinctly back of every basic nonperishable farm commodity whenever the price, by virtue of excessive production, falls below the cost of producing it. It is fair to the American farmer that we must go to the Government for assistance in marketing here and abroad. If America is not going to merchandise its products, it might as well close up shop and go out of business.

If America is not going to merchandise the most valuable crop this country has produced now for nearly a century for our export principally, if it is not going to merchandise it here and abroad, then we must confess that we could not handle a problem which in the beginning at least was presented to us with all the advantages in our favor, that we muffed it, that we were not capable of handling it, and we simply went to sleep on the job and let the problem take possession of us and that we find ourselves at this late day undone by one of the greatest crops that America has ever produced.

I am not going to say anything about what we shall do with our lands in the South and in the Southeast, particularly if we cannot keep up a fair production of cotton. But I make no plea for the Government entering the field of taking off surplus cotton in the year of big production except on the basis of sound business principle, taking it off at a price that will not hold out encouragement to my neighbors and me, down in Georgia or in any other cottonproducing State, to try to produce a tremendous surplus during the next year. If the Secretary of Agriculture's evernormal-granary program is brought strictly in line with what I have tried to say, it is, in my opinion, essentially

Mr. President, I ask to have printed and lie on the table an amendment which at the proper time I shall offer to the pending bill.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. McNARY. Mr. President, I desire very briefly to discuss the pending amendment, offered by the Senator from

I think I need not say that for a long period of time I have been interested in the subject of crop insurance, having collaborated with the distinguished senior Senator from South Carolina [Mr. SMITH] in 1921 and 1922 in hearings on that important matter.

The objectives of the pending amendment, in my opinion, are commendable. But I wish to make certain suggestions to the Senator from Florida which he might consider in connection with offering this amendment for incorporation in the

In the first place, the amendment does not cover sufficient ground to be a crop-insurance amendment. It covers the hazard of weather. Weather is a yardstick of about 15 inches. It is only one of the factors involved in a crop-insurance measure.

I think all of us know that not only is the weather a hazard. which includes freezing, drought, and floods, but there are also insect pests and other natural pests following in three other categories of loss. So if we are to limit crop insurance to weather, we include only one of the risks or hazards which may be met in some localities, and I think usually it is the least destructive of the three.

I would suggest to the able Senator from Florida that if a crop-insurance amendment is to be adopted, it be framed in such a fashion that it will include all hazards to which a farmer is subjected.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. McNARY. I yield. Mr. PEPPER. Perhaps the Senator has observed that the original amendment I offered included pests and diseases, along with hazards of weather, because my idea was, as the Senator from Oregon so generously suggests, to take care of all the hazards which might adversely affect the farmers.

After presenting the amendment in that form, some of the Senators on the floor called my attention to the thought that if we insure a farmer against insects and diseases, it might tend to discourage him in the protection of his crops by adequate safeguards which he might himself employ, and therefore tend to encourage him to allow the spread of disease and the spread of pests through his own slothfulness or lack of diligence, thinking that perhaps he might be reimbursed from the insurance fund in some way.

I am very earnest in this matter of crop insurance, and I want to do whatever is best to be done, and I want the Senator from Oregon to take into consideration the suggestion made to me by Senators on the floor.

Mr. McNARY. Mr. President, during very many years of study of the agricultural problem this is the most novel suggestion I have ever heard in this connection, that a farmer would not desire to protect his fruit from natural diseases and insect pests in the same way in which he will protect his orchards or his fruits against other hazards, like floods or inclement weather.

If the Senator is satisfied with the amendment, I shall have to be content.

Mr. NORRIS. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. I yield.

Mr. NORRIS. Along the line of the Senator's remarks, I should like to suggest to the Senator from Oregon, and also to the Senator from Florida, that it seems to me that the amendment could be very much improved by a very simple change, striking out the word "weather" in line 4, on page 2 of the amendment and inserting the word "production", so that it would read, "particularly subject to the hazards of production."

Mr. McNARY. In my opinion, that would strengthen it very much.

Mr. NORRIS. I think it would.

Mr. McNARY. Of course, I have nothing to do with the acceptance of the proposal.

Mr. PEPPER. Mr. President, I should be entirely willing

to accept the suggestion.

Mr. McNARY. Mr. President, that would cover my criticism. Another suggestion I have to offer to the Senator from Florida is that he not restrict the recovery and investigation to fruits and vegetables.

Mr. PEPPER. Mr. President, the Senator has observed, has he not, that it says "fruits, vegetables, and other crops"?

Mr. McNARY. Yes, Mr. President; I was just about to discuss that. I have been advised by lawyers of merit, and I recall many years ago having heard, that when a general phrase follows a specific enumeration, it was limited to the kinds and varieties named. That is a rule of statutory construction which I learned in college many years ago and have been advised since then by eminent lawyers that the rule has not been changed.

I think the simple way of handling this matter would be to have it read "and a feasible and practicable plan of crop

insurance for all agricultural commodities."

Mr. PEPPER. I certainly have in mind that principle. Mr. McNARY. I am quite sure my construction of the

Senator's language is correct.

Mr. BARKLEY. Mr. President, in that connection, the same rigid construction of exclusion would not apply to this language that applies to the ordinary legal interpretation referred to by the Senator from Oregon. Of course, I can understand that in the amendment offered by the Senator from Florida he feels it is desirable to mention these products specifically, but the fact that not all other agricultural products are included would not be interpreted to mean that only fruits and vegetables could be investigated under the language. I do not fear that there would be any exclusion of other things if the Secretary desired to investigate them.

Mr. McNARY. Mr. President, if it said "all other agricultural products" that would be one thing, but it says "for fruits, vegetables, and other crops", that being a specific enumeration of fruits and vegetables, which everyone knows are perishable. I have not doubt about my interpretation being correct, and I am suggesting the simplest way out of it, the elimination of "fruits, vegetables, and other crops", and substituting "of all agricultural commodities." With that correction I shall be very happy to support the amendment.

Mr. PEPPER. Mr. President, I am in favor of the principle as the Senator has stated it, but perhaps the details might vary a little. I think the rule of ejusdem generis—the rule of construction the Senator has spoken of—would apply only to those crops in the production of which the farmer meets hazards, but not to these particular varieties of crop only, so that I would not have any fear such as that the Senator from Oregon entertains even with the amendment in the form originally offered. However, would it not be equally acceptable to the Senator from Oregon to say "for fruits, vegetables, and other crops of all kinds or characters"?

Mr. McNARY. Yes; that covers the point. It adds a few more, I suppose, but I will accept the suggestion.

Mr. PEPPER. I modify the amendment in that way.

Mr. McKELLAR. Mr. President, I am in sympathy with the investigation of crop insurance as suggested in the amendment, but there appears a provision which I think should not appear in the bill, namely:

The Secretary of Agriculture is authorized and directed to set aside and use, out of any sums appropriated for the purposes of the Soil Conservation and Domestic Allotment Act, as amended, the sum of \$150,000 annually, or so much thereof as may be required, until such study is completed in making—

And so forth. I think that language ought to come out, and I desire to give my reasons, very briefly, for my opinion.

The present agricultural appropriation law, on page 6, under the subtitle "Special research fund, Department of Agriculture," reads:

For enabling the Secretary of Agriculture to carry into effect the provisions of an act entitled "An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges", approved June 29, 1935 (U. S. C., Supp. II, title 7, secs. 427, 427b, 427c, 427f); for administration of the provisions of section 5 of the said act; and for special research work, including the planning, programming, and coordination of such research to be conducted by such agencies of the Department of Agriculture as the Secretary of Agriculture may designate or establish, and to which he may make allotments from this fund, including the employment of persons and means in the District of Columbia and elsewhere, and the purchase, maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia, \$1,200,000.

In a subsequent section of the act, on page 41, there occurs the provision for the interchange of appropriations, as follows:

Not to exceed 10 percent of the foregoing amounts for the miscellaneous expenses of the work of any bureau, division, or office herein provided for shall be available interchangeably for expenditures on the objects included within the general expenses of such bureau, division, or office, but no more than 10 percent shall be added to any one item of appropriation except in cases of extraordinary emergency, and then only upon the written order of the Secretary of Agriculture: *Provided*, That a statement of any transfers of appropriations made hereunder shall be included in the annual Budget.

Instead of tying up a part of this fund, I am asking the Senator to strike out those words and to insert the following:

The Secreary of Agriculture is authorized, out of the special research fund, Department of Agriculture, in the Agricultural Appropriation Act of June 29, 1937, to make a study—

And so forth; and to strike out the other language which sets up a special appropriation.

There is appropriated \$1,200,000, and 10 percent of that would be \$120,000, which could be utilized for this purpose under the Department of Agriculture at the present time, and the money ought to be appropriated in the regular way. We should not undertake to make an appropriation in the pending bill. This is not an appropriation bill. We should simply authorize a study into the matter of crop insurance and leave the appropriation to the regular appropriation bill. I do not believe we ought to set aside \$150,000 annually and make it obligatory upon the Committee on Appropriations hereafter to appropriate that much money for this particular purpose.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. NORRIS. I should like to ask the Senator whether, if the change is made as the Senator has suggested, it would not follow that the appropriation could only be made for 1 year.

Mr. McKELLAR. That is true; it would not be made annually.

Mr. NORRIS. There would not be any authorization for it to be made more than the one time.

Mr. McKELLAR. Oh, yes; as I have changed the provision, it would authorize the study to be made, and it could be appropriated for each year as the appropriation bill was being considered.

Mr. NORRIS. Was the language the Senator read from an appropriation act?

Mr. McKELLAR. It was the agricultural appropriation

Mr. NORRIS. That would last only 1 year.

Mr. McKELLAR. The law now provides for research studies of various other kinds. The purpose of the amendment of the Senator from Florida is to add crop insurance to the various other subjects now provided in the law.

Mr. NORRIS. Then the proper way to handle the matter would be to amend the law by adding crop insurance to the other studies provided for.

Mr. McKELLAR. That could be done, and it would be a simpler way of handling the matter. In other words, authority ought to be provided in the pending bill, but no appropriation should be made. There should not be any limitation or amount stated in the pending bill, which is not an appropriation bill, and I suggest to the Senator from Florida that he change his amendment.

Mr. NORRIS. Would the Senator leave it to the Secretary to use what he thought was proper out of the fund created under the law?

Mr. McKELLAR. Yes; I would put it in the hands of the Secretary.

Mr. NORRIS. Would the effect of that be to lessen the amount that can be utilized as this bill provides out of the \$500,000 that is authorized to be appropriated?

Mr. McKELLAR. I take it this amendment provides that it shall be taken out of the fund of the Soil Conservation and Domestic Allotment Act.

Mr. NORRIS. If the amendment is changed as the Senator has suggested, would it not leave the matter still in the same position that it is now with reference to the fund out of which the money could be taken?

Mr. McKELLAR. It would leave the Secretary to make the investigation and use a portion of these funds for that

Mr. NORRIS. The only objection I see to that is that the money would be taken out of the \$500,000 fund, out of which money to carry forward the farm program in this bill must be taken. Therefore, it would lessen the fund somewhat.

I am very much in sympathy with the amendment of the Senator from Florida. I am going to vote for it, whether it is changed or not.

Mr. McKELLAR. I also am in sympathy with it, but I do not believe the appropriation ought to be made as suggested by the Senator.

Mr. NORRIS. It seems to me it is a valuable amendment and ought to be in the law. I would rather it was a straight appropriation, however, so that it would not come out of the fund that is in this bill because that fund will probably be too small as it is.

Mr. McKELLAR. I should prefer that it be an authorization.

Mr. NORRIS. A straight authorization?

Mr. McKELLAR. Yes; and not a provision that will require any specific sum to be used. I do not think we ought to do that. We ought not to appropriate on a legislative bill. That is my judgment, and I hope the Senator will agree to it, if it meets his approval.

Mr. POPE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. POPE. Of course I am much interested in this matter. I think crop insurance for fruits in particular is just as important as crop insurance for any other commodity.

With reference to the point now made, I will say that that had occurred to me; but I thought if this matter could go to conference, since there is no provision in the House bill, as I understand, like it, the matter then could be considered by the conferees and acted upon.

If the Senator from Florida [Mr. Pepper] desires to limit his amendment to an authorization, not out of funds in this bill or the Soil Conservation Act, but generally, of course, that would be agreeable. I take it that he might think the funds would be easier to get if they came out of the soil-conservation fund.

I do want to say, however, that these funds are for the purpose of making soil-conservation payments or on parity, if that term is used, and I am exceedingly anxious that those funds be not diverted for various other purposes. They are already too small to make the payments that ought to be made to the farmers; and if they are diverted for various other uses it simply means that the farmer will get even less than he does now, assuming that our final appropriation may be \$500,000,000 only.

I suggest to the Senator from Florida that he consider the matter of making the authorization, and then leaving the appropriation to the Congress as in any other bill authorizing the appropriation of funds.

Mr. PEPPER. Mr. President, I am entirely in sympathy with and very grateful to the Senators for their interest in this matter. There is only one thing I want to be very sure about. I do not want to divert any of these funds from soil conservation or domestic allotment, because, as the able Senator from Nebraska has said, they are already too small

in amount; but there is one thing I am very clear about in my mind, and that is that we should not pass this farm bill through the Senate without telling the American people that we are going to do something substantial about the matter of crop insurance. If we just leave it here with a mere authorization, and it is to go along in the future to get such consideration as it may receive, I am afraid we shall not carry out the program in the manner that the impression has been given to the public that it would be carried out, and shall not achieve the objective that we want to reach here.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McKELLAR. The Senator need not have any fear. The moment this authorization is made, an estimate will be made by the Department of Agriculture for carrying it out; and that is another and additional reason why we ought not to make the appropriation here, or attempt to graft onto this bill an appropriation. The Senator will have no trouble about it. I have been on the Committee on Appropriations for a long, long time. After a matter was authorized I have never known the appropriation not to be asked for.

Mr. PEPPER. Does the Senator contemplate that the amount of \$150,000 might remain, but that it shall merely be

an authorization for the expenditure?

Mr. McKELLAR. No; I think the amount should go out until we have an estimate by the Department. If the Senator will follow me, on page 1, in line 6, the language is:

And directed to set aside and use, out of any sums appropriated for the purpose of the Soil Conservation and Domestic Allotment Act, as amended, the sum of \$150,000 annually, or so much thereof as may be required.

I suggest inserting at that point the words:

To make a study.

In other words, that the Secretary of Agriculture is authorized to make a study of a feasible and practicable plan of crop insurance.

Mr. PEPPER. Mr. President, there are three answers to the suggestions which the able Senator has been good enough to make. The first one is that already there are two elements of discretion vested in the Secretary by the provisions of the amendment. The first is:

The Secretary is authorized and directed to set aside and use, out of any sums appropriated for the purposes of the Soil Conservation and Domestic Allotment Act, as amended, the sum of \$150,000 annually—

Then follows:

or so much thereof as may be required.

That is the first discretion that is already vested in the Secretary. This is the second:

until such study is completed.

He has, therefore, the determination already of what may be required, and when the complete survey may be made.

The third one, Mr. President, is this: I was the author of Senate Resolution 108, which was enacted by the Senate during the regular session. It directed the Secretary of Agriculture to transmit to the Senate at the earliest practicable date his recommendation for the establishment of a system of crop insurance for fruits and vegetables, and to make such studies as might be necessary in connection therewith.

I read from the letter of the Secretary to the Senate on that subject:

The Department will not be in position to make recommendation for the establishment of a system of crop insurance for fruits and vegetables until it has conducted some rather extensive researches, investigations, and surveys, and prepared the data thus gathered on fruits and vegetables. These researches, investigations, and surveys will, of course, entail considerable expense, for which no appropriation is available.

So during the regular session we did in substance make an authorization, but we got nothing done, because the Secretary said there was no fund available.

Mr. McKELLAR. The same argument may be made about everything in the bill. There is no appropriation for anything in the bill, because it is all in the hands of the Secretary. But when the Congress, by the first six lines and the

last five lines of the Senator's amendment, authorizes an investigation of crop insurance, the Department is obliged to make it.

Mr. PEPPER. Mr. President, would not the Senator's purpose be achieved by letting the amendment be amended so as to contain the sum of \$150,000, and also the limitation that it presently carries, "or so much thereof as may be required"? In that way we will have indicated that we mean something substantial about this matter, but at the same time we will leave to the discretion of the Secretary the amount of the expenditure necessary to do the job.

I should be very glad, at the suggestion of the Senator from Tennessee, to delete from the amendment the words "set aside and", and then delete the wrds, "out of any sums appropriated for the purpose of the Soil Conservation and Domestic Allotment Act, as amended", so that it would read:

The Secretary of Agriculture is authorized and directed to use the sum of \$150,000 annually or so much thereof as may be required.

Mr. McKELLAR. That would prevent the sum being taken out of the fund we are now legislating about. If the Secretary is now engaged in making the very investigation which the Senator has asked that he make under a previous resolution, and the Secretary indicates in his letter that he is making the investigation so far as his money goes, it seems to me an authorization is all that is needed in this bill. I think that matter should come before the Appropriations Committee in the usual way that all appropriation requests come.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired.

Mr. PEPPER. Mr. President, I do not want to be in disagreement with the Senator from Tennessee, but I did think I had made clear what may be achieved by the amendment. I ask that the amendment be amended so that it will read:

The Secretary of Agriculture-

Beginning back in line 6-

is authorized to use the sum of \$150,000, or so much thereof as may be required until such study is completed, in making a study of a feasible and practicable plan of crop insurance for fruits, vegetables, and other agricultural crops, particularly subject to the hazards of weather-

And so forth.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Idaho?

Mr. PEPPER. I yield. Mr. BORAH. Would not the Senator's objective be accomplished simply by saying-

There is hereby authorized to be appropriated the sum of not exceeding \$150,000, or so much thereof as may be necessary—

For the Secretary of Agriculture to do so-and-so, as the Senator provides here?

Mr. PEPPER. Would it be agreeable to the Senator from Tennessee if it were done according to the suggestion of the Senator from Idaho?

Mr. McKELLAR. Yes, Mr. President.

Mr. PEPPER. Then Mr. President, the amendment would read, beginning in line 6 of my amendment:

There is hereby authorized to be appropriated the sum of \$150,000, or so much thereof as may be required to be used by the Secretary of Agriculture in making a study of a feasible and practicable plan of crop insurance for fruits, vegetables, and other crops; and the Secretary, upon the completion of such study, on obtaining sufficient data to enable him to make a report, is directed to report his findings and recommendations with respect to such plan or plans of crop insurance to the Congress at the earliest practicable date.

The amendment as it now stands goes down to line 6, and then from line 6 down to the conclusion, being as I have just indicated.

Mr. McKELLAR. That language should be "authorized to be appropriated."

Mr. PEPPER. Very well.

Mr. McKELLAR. That is the usual language in all authorization bills.

Mr. PEPPER. I accept that correction.

The PRESIDING OFFICER. The time of the Senator from Florida on the amendment has expired.

Mr. PEPPER. May I take time on the bill, Mr. President? The PRESIDING OFFICER. The Senator has time on the

Mr. PEPPER. Very well. I have deleted the word "annually", Mr. President. I call attention to the fact that I have deleted the provision for annual appropriations, but express the hope that this appropriation will not be simply a 1-year matter, but that in due course when the matter comes up again such further appropriation as may be necessary will be made.

Mr. ADAMS. Mr. President, I desire to make a suggestion to the Senator from Florida. If I read the amendment correctly, there is one thing in it which I think is most commendable, because I gather that the purpose is to diminish the hazards of weather.

Mr. McKELLAR. That has been changed.

Mr. ADAMS. I think that is most commendable. It will be worth the money if it can be done for \$150,000. [Laughter.]

Mr. PEPPER. Mr. President, the language in line 3 has been amended, as I understand, to read "hazards of production", and strike out the words "of weather to which their crops are subject."

I move the adoption of the amendment.

Mr. McKELLAR. May the amendment be read?

The PRESIDING OFFICER. The Official Reporter will read the amendment, as modified.

The Official Reporter (Fred A. Carlson) read as follows:

There is hereby authorized to be appropriated the sum of \$150,-000, or so much thereof as may be required, to be used by the Secretary of Agriculture in making a study of a feasible and practicable plan of crop insurance for fruits, vegetables, and all other crops, and the Secretary, upon the completion of such study, is directed to report his findings and recommendations with directed to report his findings and recommendations with respect to such plan of crop insurance to the Congress at the earliest practicable date.

Mr. McKELLAR. The word "necessary" should be used. instead of "required."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment as stated by the Official Reporter.

Mr. PEPPER. Let me state that this is the way it would read, in addition to the language read by the Official Reporter:

Congress recognizes the insecurity which those engaged in agriculture and horticulture experience on account of hazards of pro-

The PRESIDING OFFICER. The question is on the amendment as stated by the Official Reporter, and as modified by the language submitted by the Senator from Florida.

The amendment, as modified, was agreed to.

Mr. HATCH. Mr. President, on Saturday some discussion took place on the floor of the Senate as to the expenses of the county committees under the soil-conservation program. If I may have the attention of the Senator from Washington [Mr. Bone], I desire particularly to have him hear what I am about to say.

My remarks on Saturday were in connection with the expenses of the local committees. At that time I said that I had confidence in the ability of the local committees to keep their expenses within due bounds, and I still express that thought and belief. I also stated on Saturday, however, that it was my belief that in order for the local committees to keep those expenses within proper bounds and limitations, the farmers themselves should know what the expenses were, to whom the money was being paid, and in what amounts.

In line with this thought, I propose to offer an amendment which is now in preparation; and I give notice that I shall offer an amendment to the pending bill to the general effect that all the local expenses of State and county committees shall be estimated and figured so that when the farmer

receives his check he will know how much has been deducted for those expenses. Also, I shall include in the amendment another provision for publishing, perhaps by notice at the courthouse door, a list of the names of the employees, and the amounts they are receiving.

It is my thought that if the farmers can have that information, if they know what the administration of the act is costing them and how much is being taken from their checks, they will handle the question of expenses so far as it is within their power to do so.

Mr. RUSSELL. Mr. President, on Saturday I made the statement that the administration of the Soil Conservation Act cost in excess of 10 percent of the total amount appropriated for payments to farmers under it.

I have in my hand a table which was prepared by the Agricultural Adjustment Administration which shows that for the crop year 1936 the farmers received the sum of \$349,925,085.10 for soil-conservation payments. The entire amount expended was \$395,141,374.68. That shows that for the various phases of administration, including the expenditures by the Washington office, by the regional offices, by the State offices, by the county committees, and by the local committees, the sum of \$45,216,289.58, which was appropriated for soil-conservation payments to farmers, was used in the administration of this fund, and to provide the machinery to get the benefit payments to the farmers. The total payments were less than \$400,000,000, and \$45,000,000 was used in administration.

In other words, Mr. President, I should have been nearer correct on Saturday had I said that 12 or 12½ percent of the total amount appropriated went into expenditures than to have said that 10 percent of the total amount appropriated was used in the administration of the act.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McKellar in the chair). Does the Senator from Georgia yield to the Senator from Kentucky?

Mr. RUSSELL. I yield to the Senator.

Mr. BARKLEY. The largest part of the sum represented in that expenditure, as I understand, was incurred in what we call county expenses; that is, the expenses of the county representatives, who had to visit individual farms and check up on them. While I have not the percentage in my mind, I understand that outside of the local county expenditures made necessary by individual visits to farms and to check up on individual farms, the expenditures in the Washington and State and regional offices were considerably less than half the amount to which the Senator refers.

Mr. RUSSELL. The table which I intend to offer for the RECORD has a break-down of the expenditures in the various phases of administration. Approximately \$20,000,000 of the \$45,000,000 was spent within the counties by the county committees and the local district committees.

The most striking thing about this table is the great disparity in the amounts paid in various States which have a similar type of agriculture, and within the same region, for the same type of services.

I happened to observe, in looking over the various regional expenditures, that in the State of Ohio the farmers were paid the sum of \$8,059,000, in round figures, and it cost for county administration the sum of \$1,287,000, in round figures, whereas in the State of Indiana, in the same region, the farmers received \$9,500,000 at a cost for county administration of \$771,000. That is a point which I have been trying to impress upon the Senate, that there is no uniform rule for the administration of this act, and that there should be here within the Department some fixed policy that will affect the expenditures within the State, because every time a dollar is consumed in administrative expenses it means that some farmer, somewhere—the man for whom we were appropriating the money, the man we thought we were helping—has been denied that dollar, and has failed to receive it.

Mr. President, I offer and ask to have printed in the RECORD as part of my remarks these tables, which include the total expenditures over the entire country, as well as the expenditures within the various regions.

The PRESIDING OFFICER. Without objection, the tables will be printed at the conclusion of the Senator's remarks.

(See exhibit A.)

Mr. RUSSELL. The Members of the Senate, I think, will be most interested to observe the tremendous difference in expenditures in the region to which I referred. I saw another set of figures, which were in the possession of another Senator, which disclosed that within the State of Ohio it cost over 17 percent to administer this program, whereas in the State of South Dakota it cost around 4 percent; yet South Dakota received approximately \$5,000,000 more than did Ohio, and the farms which had to be measured in South Dakota were approximately twice as large as the farms which were measured in the State of Ohio. I say that some limitation should be fixed in this bill.

I am not being critical of the county committees. I join my friend the able Senator from New Mexico [Mr. Hatch] in the very high tribute he has paid to the county committees; but it is wrong as a matter of policy to legislate here and appropriate money to farmers and then say that the county committees and the local committees shall be absolutely without restraint as to the number of days they may meet in the administration of the program, and have one county committee, perhaps, meeting 50 or 60 days in the year, each member receiving a per diem, and the committee in another county meeting only 25 or 30 days per year, under exactly the same conditions, and with exactly the same type of farming being carried on in both counties.

I think we should give particular attention to this matter; and I shall have a few more remarks to make on this subject when I offer my amendment, which proposes to limit the administrative cost of this program to 6 percent of the total amount appropriated. I think we shall see that that will be an ample amount to administer the program.

EXHIBIT A

Summary by regions of expenditures made in effecting the 1936 agricultural conservation program up to and including Sept. 30, 1937

All regions	Expended for farm payments	Expended for county expense, 1936 program	Expended for county expense, 1937 program ¹	State office administrative expense, fiscal year 1937	Washington administrative expense	State and county expense prior to July 1, 1936, fiscal year 1936	Total expended
Northeast	107, 334, 232, 57	\$492, 845. 08 1, 496, 090. 16 4, 936, 877. 76 9, 766, 950. 88 2, 716, 749. 95	\$312, 760. 88 384, 395. 74 610, 607. 51 3, 159, 224. 25 1, 221, 995. 17	\$462, 552, 36 1, 204, 895, 63 4, 547, 787, 34 3, 091, 865, 12 1, 703, 995, 02 142, 382, 28	\$145, 939. 24 199, 909. 61 580, 271. 57 503, 557. 03 416, 445. 13 13, 630. 28	\$192, 043, 74 293, 239, 47 1, 042, 149, 36 2, 495, 961, 58 360, 306, 60	\$8, 401, 588. 66 39, 644, 822, 39 119, 051, 926, 11 152, 043, 298, 59 71, 819, 379, 95 1, 459, 498, 14
Regional totalOther divisions and offices	349, 925, 085. 10	19, 409, 513. 83	5, 688, 983. 55	11, 153, 477. 75	1, 859, 752. 86	4, 383, 700. 75	392, 420, 513. 84 2, 720, 860. 84
Grand total, expended, 1936 program 1							395, 141, 374. 68 349, 925, 085. 10
							45, 216, 289. 58

¹ County expense, 1937 program, paid from this appropriation; reimbursable by deduction from 1937 program farm payments.

Summary by States of expenditures made from the funds appropriated for effecting the 1936 agricultural conservation program as of Sept. 30, 1937

Northeast Region

Non	THEAST REGION				
	Expended for farm payments	Expended for county expense	Total expended, 1936 program, conservation payments	State office ad- ministrative ex- penses, fiscal year 1937	Total expended, 1936 program, fiscal year 1937
Maine	\$301, 816. 69	\$35, 494. 52	\$337, 311. 21	\$45, 763. 25	\$383, 074. 4
New Hampshire	82, 106, 01 267, 323, 16	12, 745, 11 27, 567, 54	94, 851, 12 294, 890, 70	15, 042. 26 25, 586. 20	109, 893. 3 320. 476. 9
Vermont Massachusetts Rhode Island	183, 974, 12 8, 868, 06	25, 750. 45	209, 724, 57	21, 297. 28 4, 699. 48	320, 476. 9 231, 021. 8 13, 567. 5
Connecticut	350, 840, 42	12, 831. 47	8, 868. 06 363, 671. 89	24, 656. 74	388, 328, 6
New York	2, 708, 945, 95 305, 327, 42	185, 222. 50 8, 911. 18	2, 894, 168. 45 314, 238. 60	147, 365, 84 30, 306, 35	3, 041, 534. 2 344, 544. 9
Pennsylvania	2, 586, 245. 53	184, 322, 31	2, 770, 567. 84	147, 834. 96	2, 918, 402. 8
Total field, northeast region, 1936 program	6, 795, 447. 36	492, 845. 08	7, 288, 292. 44	462, 552. 36	7, 750, 844. 8 312, 760. 8
Total field expenditures northeast region, 1936 program appropriation, fiscal year 1937			ional (ne maj)	anni rez regi	8, 063, 605, 6
EAST	CENTRAL REGION	WATER TO			
Maryland	\$1, 309, 469, 81	\$53, 583, 87	\$1, 363, 053. 68	\$49, 466, 29	\$1,412,519.9
Delaware	309, 617. 73 3, 118, 187, 43	15, 431, 31 178, 249, 55	325, 049, 04 3, 296, 436, 98	11, 899, 47	336, 948. 5
VirginiaWest Virginia	589, 107. 72	66, 067, 80	655, 175, 52	135, 057. 03 44, 171. 22	3, 431, 494. 0 699, 346. 7
North Carolina Kentucky	11, 823, 394, 54 10, 635, 992, 64	480, 906. 71 415, 433. 33	12, 304, 301, 25 11, 051, 425, 97	374, 683, 24 306, 676, 71	12, 678, 984. 4 11, 358, 102. 6
Tennessee	8, 280, 521. 91	286, 417. 59	8, 566, 939. 50	282, 941. 67	8, 849, 881.
Total field, east central region, 1936 program	36, 066, 291. 78	1, 496, 090. 16	37, 562, 381. 94	1, 204, 895. 63	38, 767, 277. 5 384, 395. 7
Total field expenditures, east central region, 1936 program appropriation, fiscal year 1937					39, 151, 673. 3
sot	THERN REGION				
South Conding	e7 400 000 00	6494 409 00	\$7 016 760 02	enne 401 na	ec our oec o
South CarolinaGeorgia	\$7, 482, 286. 00 10, 951, 256. 98	\$434, 483. 02 411, 981. 02	\$7, 916, 769. 02 11, 363, 238. 00	\$298, 491. 97 698, 853. 64	\$8, 215, 269. 12, 062, 091.
FloridaAlabama	1, 216, 580. 71 10, 292, 251. 97	125, 608, 13 673, 582, 59	1, 342, 188. 84 10, 965, 834. 56	145, 694. 08 560, 905. 43	1, 487, 882. 11, 526, 739.
Mississippi	10, 710, 702, 27	592, 280. 69	11, 302, 982, 96	452, 441, 57	11, 755, 424,
Arkansas Louisiana	10, 096, 732, 25 6, 767, 139, 47	524, 640, 66 374, 007, 07	10, 621, 372, 91 7, 141, 146, 54	561, 352. 66 365, 943. 08	11, 182, 725. 3 7, 507, 089. 6
Oklahoma	13, 858, 865, 55 35, 958, 417, 37	646, 598. 34 1, 153, 696. 24	14, 505, 463, 89 37, 112, 113, 61	476, 164, 46 987, 940, 45	14, 981, 628. 3 38, 100, 054. 0
Total field, southern region, 1936 program Total county expenses, 1937 program ¹	A STAN TO BOOK	4, 936, 877. 76	112, 271, 110. 33	4, 547, 787.34	116, 818, 897. 6
Total field expenditures, southern region, 1936 program appropriation,					610, 607. 5
fiscal year 1937	H CENTRAL REGION				117, 429, 505. 1
Ohio	\$8, 059, 676. 78 9, 545, 118. 36	\$1, 287, 041. 77 771, 037. 10	\$9, 346, 718. 55 10, 316, 155. 46	\$300, 353. 62	\$9, 647, 072.1
Illinois	15, 177, 198. 41	1, 226, 237. 83	16, 403, 436. 24 6, 777, 033. 14	273, 890. 62 320, 808. 35	10, 590, 046. 0 16, 724, 244. 8
Michigan Wisconsin	5, 963, 827. 32 10, 148, 228. 73	813, 205. 82 962, 828. 17	6, 777, 033. 14 11, 111, 056. 90	307, 988. 00 286, 796, 56	7, 085, 021. 1 11, 397, 853. 4
Minnesota	17, 009, 412.50	966, 692, 83	17, 976, 105, 33	319, 143. 99	18, 295, 249.
Iowa Missouri	26, 370, 528. 99 11, 768, 740. 13	1, 260, 687. 78 911, 279. 95	27, 631, 216. 77 12, 680, 020. 08	372, 966. 30 309, 161. 47	28, 004, 183. 0 12, 989, 181. 3
South DakotaNebraska	15, 102, 135, 49 13, 880, 873, 02	546, 632, 73 1, 021, 306, 90	15, 648, 768. 22 14, 902, 179. 92	290, 179, 91 310, 576, 30	15, 938, 948. 1 15, 212, 756. 2
Total field, north central region, 1936 program	133, 025, 739. 73	9, 766, 950. 88	142, 792, 690. 61	3, 091, 865. 12	145, 884, 555. 7
Total county expenses, 1937 program ¹ Total field expenditures, north central region, 1936 program appropria-					3, 159, 224.
tion, fiscal year 1937					149, 043, 779. 9
WE WE	STERN REGION				
North Dakota	\$20, 334, 068. 29	\$601, 048. 18	\$20, 935, 116, 47	\$266, 312. 02	\$21, 201, 428. 18, 334, 115.
KansasMontana	17, 441, 148. 56 6, 669, 165. 93	648, 529, 65 320, 269, 74	\$20, 935, 116, 47 18, 089, 678, 21 6, 989, 435, 67	244, 437. 13 238, 209. 59	7, 227, 645.
Idaho	2, 566, 352, 75 1, 096, 524, 65	134, 921, 54 74, 143, 38	2, 701, 274, 29 1, 170, 668, 03	76, 761. 17 62, 434. 56	7, 227, 645. 2 2, 778, 035. 4 1, 233, 102. 1
Colorado	4, 217, 232, 33	206, 855, 74	4, 424, 088, 07	216, 019. 24	4, 640, 107, 3
New Mexico	2, 775, 793. 59 934, 313. 40	106, 985. 99 52, 727. 33	2, 882, 779. 58 987, 040. 73	77, 215. 75 129, 945. 69	2, 959, 995. 3 1, 116, 986. 4
Nevada Oregon	130, 795, 97 1, 815, 821, 66	5, 878. 58 110, 907. 79	136, 674, 55	26, 135. 01 105, 547. 92	162, 809. 1 2, 032, 277. 1
Arizona	1, 036, 103, 94	32, 297, 74	1, 926, 729. 45 1, 068, 401. 68	36, 515. 35	1, 104, 917
WashingtonCalifornia	2, 335, 750. 13 4, 046, 816. 88	103, 802. 86 318, 381. 43	2, 439, 552. 99 4, 365, 198. 31	71, 390. 63 153, 070. 96	2, 510, 943. 4, 518, 269.
Total field, western region, 1936 program. Total county expenses, 1937 program ¹	E A SECURIO SECURIO SE	2, 716, 749. 95	68, 116, 638. 03	1, 703, 995. 02	69, 820, 633. 0 1, 221, 995. 1
Total field expenditures, western region, 1936 program appropriation,					
fiscal year 1937					71, 042, 628.

¹ Paid from 1936 program appropriation; reimbursable by deduction from 1937 program, farm payments.

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Summary by territories of expenditures made in the insular region from the funds appropriated for effecting the 1936 agricultural conservation program as of Sept. 30, 1937

Territories	Expended for farm payments	Total ex- pended, 1936 program con- servation pay- ments	State office administrative expense, fiscal year 1937	Total ex- pended, 1936 program, fiscal year 1937
Alaska Hawaii Puerto Rico	\$1,005.00 577,222.33 725,258.25	\$1,005.00 577,222.33 725,258.25	\$2, 655, 37 18, 532, 29 121, 194, 62	\$3, 660. 37 595, 754, 62 846, 452. 87
Total, field insular region, 1936 program	1, 303, 485. 58	1, 303, 485, 58	142, 382, 28	1, 445, 867. 86

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 94, line 16, to insert:

Title IX-Cotton Pool Participation Trust Certificates.

The amendment was agreed to.

The next amendment was, on page 94, after line 17, to insert:

SEC. 90. There is hereby authorized to be appropriated, from any moneys in the Treasury of the United States not otherwise appropriated, the sum of \$1,800,000, or so much thereof as may be required by the Secretary to accomplish the purposes hereinafter declared and authorized. The Secretary of the Treasury is hereby authorized and directed to pay to, or upon the order of, the Secretary, such a part or all of the sum hereby appropriated at the request of the Secretary.

Mr. McNARY. Mr. President, I should like to have that amendment explained. I observe that this section was not in the bill on which hearings were held. It comes into the bill quite unexpectedly. I am wondering how it fits into this

larger plan of so-called farm relief.

Mr. POPE. Mr. President, the Senator from South Carolina [Mr. Smith] offered this amendment, and it was adopted by the Committee on Agriculture and Forestry. Its provisions are the same as those of a bill which has passed the Senate, but is still pending in the House; and it was the desire of the Senator from South Carolina that it be attached to this bill. I think the Senator from South Carolina should, if he desires to do so, explain the amendment

I might say to the Senator from Oregon [Mr. McNary] that I shall read a paragraph of the letter from the Secretary in which reference was made to this point. The explanation will have to rest with the Senator from South Carolina [Mr.

SMITH]. I now read from the letter:

Attention is also directed to title IX of the bill. This is almost Attention is also directed to title IX of the bill. This is almost identical with similar legislation on which this Department made an unfavorable report to the Senate Committee on Agriculture and Forestry on June 8, 1937. In that report it was pointed out that the obligations of the cotton producers' pool have been discharged and that the remaining balance of funds of approximately \$1,800,000 accrued from sources in which the producer members of the cotton pool were not interested. Available information also indicates that speculators have purchased some of these certificates from many of the original producer members of the cotton pool at prices ranging down to 40 cents per bale. The proposed legislation would have the effect of redeeming certificates now in the hands of such speculators on the basis of \$1 per bale.

I notice the Senator from South Carolina has just entered the Chamber. Since the amendment was proposed by him and adopted by the committee I am sure the Senator from Oregon can obtain from the Senator from South Carolina the information he desires.

Mr. SMITH. Mr. President, my name has been mentioned in connection with this amendment. I have studied the record. This is identically the language of the bill that was introduced by the Senator from Alabama [Mr. BANKHEAD]. I feel sure that any right-thinking man would not endorse the statement read by the Senator from Idaho [Mr. Pope] as coming from the Department.

Mr. McNARY. Did the Senator say, "would not endorse it"?

Mr. SMITH. Yes. I am going to let the Senator from Alabama [Mr. Bankhead] explain why the bill was introduced and passed by this body once, but before that is done I want to invite attention to the contract. I have seen a statement in a newspaper article which makes the paper liable to a suit for libel by myself and the Senator from Alabama on the ground that it was intimated, if not directly charged, that we are conspiring to mulct the Government for the benefit of speculators. That is practically what is in the article. Let me read the contract, and we will attend to the other part of the matter later. I want to read the contract entered into with these farmers when they signed up to plant their crop. This particular part of it reads:

The manager, after paying all charges incident to the operation of the pool, shall pay to the Secretary the proceeds derived from the sale of any cotton marketed up to an amount equal to 12 cents per pound of said cotton, that amount being the original option price of 6 cents per pound, plus the gross advances here-tofore made to the producer, including carrying charges to October 1, 1934. After all debts and liens against the cotton shall have been discharged and all expenses incurred or fixed by the manager subsequent to October 1, 1934, in conjunction with the carrying, handling, and/or marketing of the said cotton and in the conduct of the pool have been paid, the managers shall thereafter distribute the remaining proceeds ratably to the holders of record of participation cost cartificates. pation cost certificates in accordance with their several interests as established by said certificates and in accordance with applicable regulations.

In other words, after the farmer had been paid his 12 cents and after all expenses incurred had been liquidated, then the residue of the proceeds of the crop should be divided amongst the holders of the participating certificates. That amounted to \$1,800,000, which was clearly and unmistakably the profits of the farmers who contributed to the pool.

When we had our cotton investigation the same question arose. Mr. Oscar Johnston was asked to testify and I should like to read from his testimony. Mr. Wyllie asked this question:

Now, if all of the funds in the hands of the Secretary of Agriculture must be considered as part of the pool funds, what would be the object or necessity of the pool filing any claim against

Mr. Johnston. In the handling of Government accounting be-fore that credit is set up to the pool the Comptroller General and the audit section are going to have to be convinced of each and every item that went into it when they undertake to break it down as a proper charge. It is my judgment, both as a lawyer and as manager, that every dime belongs to the pool.

I read further. In response to a question Mr. Johnston said:

It is more than an accounting problem. It is an administrative problem. It is a matter for the Secretary of Agriculture to de-termine ultimately the extent to which certain items that are credited in the Secretary's so-called private account are pool items. My personal opinion, as manager of the pool and as a lawyer, is that when this pool is liquidated every dime over and above the amounts required to pay the Treasury of the United States the amount advanced and to pay the operating costs is entitled to be distributed to the participating trust certificate holders.

Mr. President, under the pool arrangement certain cottons were turned in. First an advance of 10 cents was made and ultimately an advance of 12 cents. When the cotton was disposed of from the pool and all matters were liquidated, certain individuals held participating certificates entitling them to participate in the remainder of the fund, which was to be divided among them, as Mr. Johnston stated, pro rata, according to the number of bales and the poundage. For some reason it is now claimed that this money was extra and beyond the pool, though it is not denied that it came out of the cotton, but that for some reason or other the money called for by the certificates should be diverted into some other channel.

I have no interest in the matter except that where the farmer participated in a certain project and was promised, through certain certificates, that he should participate according to the amount remaining over and above every settlement. I think in common honesty he ought to be paid. We are told that the certificates have passed into the hands of speculators, but I do not know anything about that. I know if a negotiable instrument was delivered to me and I wanted the money and the Senator from Arizona [Mr. ASHURST] would say, "I will buy your certificate. What will you take for it?" It would be a trade between him and me. What has the Government to do with it? If I am willing to sell it at a certain price, that is a trade between him and me, and has nothing to do with the obligation of the Government to redeem the certificate. If the Senator from Arizona wanted to speculate and would give me 50 cents for a certificate which called for a dollar, I would release my claim to a possible 50-cent profit and it would be a risk he would take.

But any insinuation that I am here trying to collect money for a lot of speculators at the expense of the farmer is simply an infernal lie. I am sick and tired of having the motives of an honest and honorable man garbled and questioned in this way. Here is the fact as I have submitted it. Here is the contract. Here is the amount of money that is distributable. I do not know who is going to get it except that I do think the farmers should participate. I think it is an honest debt to the participants in the pool regardless of who holds the certificate.

I cannot understand the attitude of the Department that that would be helping a speculator. The Government issued a negotiable instrument and said, for instance, to the Senator from North Carolina [Mr. Balley], "As long as you hold that certificate you may participate in whatever fund remains over and above the settlement."

Mr. BAILEY. Mr. President, let me interrupt the Senator. The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from North Carolina?

Mr. SMITH. I yield.

Mr. BAILEY. Is it not true that a suit for the money would lie against the Government if brought by the holder of the certificate, and that he could undoubtedly recover?

Mr. SMITH. Yes.

Mr. BAILEY. The Senator said he did not understand this attitude on the part of the Department. Is this the only matter in the Department that the Senator does not understand?

Mr. SMITH. Oh, no; not by any means. I do not know how long it would take me to answer that question if I should start.

I have just read in the public press an insinuation that I am conspiring to mulct the Government for the benefit of speculators. I think it is about time for some of us here to exercise our right to freedom of speech as well as for the newspapers to have "freedom of the press." I would not have noticed it if it had not been published in a paper for which I have such high regard. I like to read the Washington Star. It is generally very fair. I want my colleagues to read that infamous insinuation which was published.

I do not think it is necessary for me to make any further statement. I have tried to conduct myself-no; I will not say I have tried, because I was born and bred a gentleman and every act of mine is in accordance with my breeding. I do not have to try to be one. I was born one and trained to be one.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. SMITH. Certainly.

Mr. ADAMS. As I gather from the statement of the Senator from South Carolina, this issue is not only a moral but a legal obligation upon the part of the Treasury to pay the money to the holders of these certificates. That being so, I am wondering why in section 95 of the bill is contined a provision that this payment is in the nature of a gratuitous action on the part of the United States. If it is an obligation that we ought to pay, if it is an obligation that the Government ought to perform, we ought not to say, as apparently this section does, that the United States is not obligated and that it is simply a gratuitous action on the part of the Government.

Mr. SMITH. Mr. President, I think the Senator from Alabama can explain that. It is because of certain rules and regulations. But in the light of the contract signed by the farmer, which I have read, I do not think his claim could be waived or affected by any rule or regulation.

Mr. ADAMS. Are we not in a better position if we pay that which we say we owe, rather than to say "now we are

making you a present?"

Mr. SMITH. I think so; certainly. I have read the terms under which the contract was signed. I have read the opinion under oath of the Administrator, Mr. Oscar Johnson, in which he said, "I believe every dime of it belongs to the certificate holder."

Mr. President, if it is necessary for me to say any more than I have said, I shall be delighted to do so.

Mr. BILBO. Mr. President, I wish to offer an amendment as a new section in title 9, and I offer it in explanation and justification of the course of my distinguished friend and colleague the Senator from South Carolina, against whom certain charges have been made in the public press.

The PRESIDING OFFICER. The Chair is informed by the parliamentarian that in order to do what the Senator desires he will have to offer his amendment as an amendment to section 90.

Mr. BILBO. I am offering it as an amendment to the entire title.

The PRESIDING OFFICER. The Senate is taking up amendments to the various sections, and therefore the Senator will have to wait until we get to the end of the title.

Mr. BILBO. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 94, line 16.

Mr. ADAMS. Mr. President, there is a phrase in this amendment which is inaccurate, and I move an amendment in that section, on page 94, line 25, before the word "appropriated", to insert the words "authorized to be".

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 95, line 1, to insert the following:

SEC. 91. The Secretary is hereby authorized to draw from the Treasury of the United States any part or all of the sum hereby appropriated, and to deposit same to his credit with the Treasurer of the United States, under special symbol number, to be available for disbursement for the purposes hereinafter stated.

Mr. ADAMS. Mr. President, in this amendment there should also be an amendment, in line 3, before the word "appropriated", to insert the words "authorized to be".

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 95, after line 6, to insert the following:

SEC. 92. The Secretary is hereby authorized to make available, from the sum hereby appropriated, to the manager, cotton pool, such sum or sums as may be necessary to enable the manager to purchase, take up, and cancel, subject to the restrictions hereinafter reserved, pool participation trust certificates, Form C-51, where such certificates shall be tendered to the manager, cotton pool, by the person or persons shown by the records of the Department to have been the lawful holder and owner thereof on February 1, 1937, the purchase price to be paid for the certificates so purchased to be at the rate of \$1 per 500-pound bale for every bale or fractional part thereof represented by the certificates C-51. The Secretary is further authorized to pay directly, or to advance to the manager, cotton pool, to enable him to pay costs and expenses incident to the purchase of certificates as aforesaid, and any balance remaining to the credit of the Secretary, or the manaany balance remaining to the credit of the Secretary, or the manager, cotton pool, not required for the purchase of these certificates in accordance with the provisions of this act, shall, at the expiration of the purchase period, be covered into the Treasury of the United States as miscellaneous receipts.

Mr. ADAMS. In this amendment on line 8, before the word "appropriated", I move to insert the words "authorized to be."

The amendment to the amendment was agreed to.

Mr. BANKHEAD. Mr. President, I have an amendment on page 95, line 12, to strike out "C-51" and to insert in lieu thereof "C-5-I."

The amendment to the amendment was agreed to.

Mr. BANKHEAD. I also move to amend on line 15 by striking out "February" and inserting "May."

The amendment to the amendment was agreed to.

Mr. BANKHEAD. I move to amend the amendment on line 18 by striking out "C-51" and inserting in lieu thereof "C-5-I."

The amendment to the amendment was agreed to.

Mr. McNARY. Mr. President, in view of the adverse report of the Secretary, I call attention to the language commencing with line 18 on page 95, "The Secretary is further authorized to pay directly, or to advance to the manager, cotton pool, to enable him," and so forth. Does that mean payment to the manager of the cotton pool, or to the manager and the cotton pool?

Mr. BANKHEAD. It means the manager of the cotton

The PRESIDING OFFICER. The clerk will state the amendment to the amendment as suggested by the Senator from Alabama.

The CHIEF CLERK. On page 95, line 20, before the word "the", insert a comma, and after the word "manager", strike out the comma and insert the words "of the", so as to read, "or to advance, to the manager of the cotton pool", and so forth.

The amendment to the amendment was agreed to.

Mr. OVERTON. Mr. President, as I understand the explanation of the Senator from South Carolina, the certificates are negotiable in character, but the authorization is to pay to the holder of the certificates as of the date February 1, 1937. If they are negotiable in character, why should they not be paid to the holder of the certificates at the time of presentation, and why that dead line of February 1, 1937?

Mr. BANKHEAD. Mr. President, the date was fixed to prevent anyone buying the certificates and taking advantage of the farmers after the bill had been introduced. That is the reason for it. The date has now been changed to May 1.

Mr. OVERTON. Can the Senator from Alabama tell me how many of these certificates are in the hands of speculators?

Mr. BANKHEAD. I do not know how the Senator would define "speculator." The Department said that only 14 percent of the entire amount has ever been transferred in any way.

Mr. OVERTON. Eighty-six percent are in the hands of the original payees?

Mr. BANKHEAD. Yes; of course, we all know that a great many of them went into the hands of merchants for advances, and so forth, and have been traded around.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 95, line 7, as amended.

The amendment as amended was agreed to.

The next amendment was, on page 96, after line 2, to insert the following:

SEC. 93. The authority of the manager, cotton pool, to purchase and pay for certificates hereunder shall extend to and include the 31st day of January 1938: Provided, That after expiration of the said limit the purchase may be consummated of any certificates tendered to the manager, cotton pool, on or before January 1, 1938, but where for any reason the purchase price shall not have been paid by the manager, cotton pool. The Secretary is authorized to promulgate such rules, regulations, and requirements as in his discretion are proper to effectuate the general purposes of this title, which purpose is here stated to be specifically to authorize the purchase of outstanding pool-participation trust certificates, Form C-51, for a purchase price to be determined at the rate of \$1 per bale, or twenty one-hundredths cent per pound, for the cotton evidenced by the said certificates, provided such certificates be tendered by holders thereof in accordance with regulations prescribed by the Secretary not later than the 31st day of January 1938, and provided such certificates may not be purchased from persons other than those shown by the records of the Department to have been holders thereof on or before the 1st day of May 1937.

Mr. BANKHEAD. I offer an amendment to this amendment, on page 96, line 15, to strike out "C-51" and to insert in lieu thereof "C-5-I."

The amendment to the amendment was agreed to.

Mr. BANKHEAD. I also move to amend, on page 96, line 20, by striking out "January" and inserting "July."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 96, after line 23, to insert the following:

SEC. 94. The Secretary is authorized to continue in existence the 1933 cotton producers pool so long as may be required to effectuate the purposes of this title. All expense incident to the accomplishment of purposes of this title may be paid from funds hereby appropriated, for which purpose the fund hereby appropriated shall be deemed as supplemental to such funds as are now to the credit of the Secretary, reserved for the purpose of defraying operating expenses of the pool.

The PRESIDING OFFICER (Mr. McKellar in the chair). The Chair takes the liberty of calling attention to line 3, page 97, where, before the word "appropriated", the words "authorized to be" should be inserted.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The same amendment should be made, on line 4, before the word "appropriated", to insert the words "authorized to be."

The amendment to the amendment was agreed to.

Mr. McNARY. Mr. President, this whole proposal is contrary to the views of the Secretary, and I call the attention of the Senate to the language on line 24, page 96:

The Secretary is authorized to continue in existence the 1933 cotton producers' pool so long as may be required to effectuate the purposes of this title.

This pool goes back a period of 41/2 years.

Mr. BANKHEAD. Mr. President, this is simply to wind it up and settle it. Nothing else is involved in the title but the settlement of the certificate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

Mr. BANKHEAD. Mr. President, I move to strike out all of section 95, beginning with line 7, to and including the word "transaction" in line 19; in other words, to strike out all except the last sentence.

The PRESIDING OFFICER. The amendment will be

The CHIEF CLERK. On page 97, in section 95, it is proposed to strike out the language beginning with line 7 to and including the word "transaction" in line 19.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. It is proposed to renumber the sections as necessary.

The PRESIDING OFFICER. Without objection, the sections will be renumbered.

Mr. BANKHEAD. Mr. President, before this matter is finally closed, I think I should make a brief statement about the publication in the newspaper to which the chairman of the committee, the senior Senator from South Carolina [Mr. SMITH], has called attention.

I have been familiar with this transaction from its inception, and I know that a very great injustice has been done by the newspaper publication in intimating that the senior Senator from South Carolina has endeavored to favor some special interest in this matter. I wish to make that statement about it because I know the facts, and I know that any statement or imputation or inference of that character is totally unfounded.

I introduced the original bill dealing with that subject. I did it at the instance of numerous small holders of these cotton certificates. I consulted the Department about it, and, in fact, the bill was prepared for me in the Department while I was out west sick. The bill came to the committee and was

subsequently favorably reported and came to the floor of the Senate. In my absence, the senior Senator from Oklahoma [Mr. Thomas] and my then colleague, the then senior Senator from Alabama, Mr. Black, presented the facts about this bill on the floor; and after a discussion of the merits of the bill and the subject matter involved, in which the senior Senator from South Carolina took no part, the bill was unanimously passed by the Senate.

I felt that the senior Senator from South Carolina owed an obligation to these certificate holders, because the certificates were issued under legislation sponsored by the Senator from South Carolina, who originated and presented in the original A. A. A. bill a program for issuing certificates of purchase to farmers who were willing to take them in lieu of that number of bales to be produced, and in that way by contract to bring about a reduction of the production for that year. It was a new plan in agricultural legislation. The plan was adopted, and under it about 3,000,000 bales or more, I believe, were contracted for, and these certificates were issued to the farmers.

Mr. Johnston was the manager of the pool. He was the representative of the Department of Agriculture, its official adviser in this matter, and its adviser until now with respect to many problems. He is one of the ablest men I know of in all the Southern States. Whether one agrees with his philosophy or not, it must be admitted that he is an outstanding figure in the State and in the South. He has been permanently connected with the Department of Agriculture since the present administration went into power. Mr. Johnston managed this cotton pool from beginning to end.

When he came before the committee he testified positively and affirmatively that every dime of this money belonged to those cotton farmers, the holders of the pool certificates.

I feel that the Senator from South Carolina, the author of that legislation, certainly owed an obligation to the farmers who participated under his plan to do something to help bring about a fair adjustment of those claims, notwithstanding the opposition of a lawyer in the Department of Agriculture, who has given the Secretary an adverse opinion on the question. I feel that the Senator from South Carolina owed the farmers such a duty, and I should have thought much less of the Senator than I do today had he ignored the situation or failed to take action with respect to it, because he did come forward, and he defended the rights of the original holders of the pool certificates.

So. Mr. President, with knowledge of the facts, knowing that the Senator from South Carolina has only done his duty in this matter, I regret that these words imputing to him unworthy motives have been published.

I am glad to make that statement.

Mr. McCARRAN. Mr. President, I wonder if the Senator from Alabama would dwell for a moment on something that seems to be even more pertinent than that on which he has dwelt. I quote from the article which I hold in my hand, which was handed to me by the senior Senator from South Carolina, as follows:

The farmers took the certificates, and the Agriculture Department cotton expert, Oscar Johnston, who is also the manager of the largest plantation in the Cotton Belt, took the job of making the certificates worth something. In selling off the cotton in the pool, Mr. Johnston hedged, bought futures, and employed the other devices of the shrewdest market operators. The result was that he got excellent prices for the pool cotton.

The significance of that is, or at least what I gather from it is, that Mr. Johnston was the beneficiary under a system which he himself initiated.

Mr. BANKHEAD. I do not think the writer means that he is a personal beneficiary. The article means that he conducted such transactions in behalf of the pool certificate owners, the farmers. That is what it means, I will say to the Senator.

Mr. McCARRAN. If that is what it means, very well. I got a different meaning from the article. It does not leave that meaning with me.

Mr. BANKHEAD. It does not involve anything personal.

Mr. BILBO. Mr. President, I desire to offer an amendment to the title. I was advised a while ago that I would be permitted to offer it after the adoption of section 95. If it is necessary, I can make it a part of section 95, so as to make it an amendment to the amendment.

The PRESIDING OFFICER. The committee amendment has been agreed to, but the action may be reconsidered.

Mr. BILBO. I may offer the amendment following section 95 at this time, may I not?

The PRESIDING OFFICER. It depends upon what it is. Mr. BILBO. I ask to reconsider the action by which the committee amendment, being section 95, was agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the vote by which section 95 was agreed to is reconsidered for the purpose of allowing the Senator from Mississippi to offer an amendment.

Mr. BILBO. Mr. President, much has been said on the floor about the article attacking the senior Senator from South Carolina [Mr. Smith] or anyone interested in or favorable to title IX. As a lawyer, it is my deliberate opinion that the article is libel per se. In order that my amendment to section 95 may be understood, I desire to read to the Senate a part of the article appearing in the Evening Star, Washington, Monday, December 13, 1937, under the heading the Capital Parade:

CLAUSE IN FARM BILL WOULD PAY OUT \$1,800,000 TO SPECULATORS IN COTTON CERTIFICATES

The Senate farm bill is a pretty singular piece of legislation, with plenty of strange things about it.

This is nothing less than an indictment against the committee that prepared the pending bill, as though there were something hidden in it, some crooked scheme stored up in some hidden phrase to defraud or wrong someone.

But the strangest is an unnoticed little clause directing the Agriculture Department to pay out \$1,800,000 to the holders of certificates for the cotton in the old Federal Farm Board cotton

On its face the clause looks dull enough, but its real meaning is that, through the kind offices of Senator Ellison D. Smith, Democrat, of South Carolina, a number of cotton speculators will share a plump kitty. Senator SMITH, who is chairman of the Senate Agriculture Committee, popped the little clause into the farm bill.

Mr. BAILEY. Mr. President, will the Senator yield? Mr. BILBO. I yield.

Mr. BAILEY. Can the distinguished Senator from Mississippi kindly explain to me what is meant by "kitty"?

Mr. BILBO. The writer uses the expression "plump kitty." I think he has reference to a nice little sum of money.

Mr. BAILEY. Does that mean that there is a plump lot of money in the bill?

Mr. BILBO. Yes. Mr. BAILEY. Does the Senator know what is meant by "kitty"?

Mr. BILEO. Yes, Mr. President. A kind of jackpot is referred to there.

Mr. BAILEY. What is a "jackpot"?
Mr. BILBO. I shall explain that to the Senator in a

Mr. BAILEY. I should like to hear about a "jackpot." I am new to this thing here in the Senate. There is a good deal of terminology of that sort which I do not understand. What is the relation of a "jackpot" to a "kitty"?

Mr. BILBO. I regret that the Senator has not been in Washington long enough to learn what a "jackpot" is.

Mr. BAILEY. My education is yet to be completed: but I should like first to have the Senator tell me what a "kitty" is, and not get mixed up with a "jackpot." I want to take up one thing at a time. Give me the definition of a "kitty," and then a "plump kitty," and then I should like to know the definition of a "jackpot"—that comes next—and if there is anything more I should like to know it.

Mr. BILBO. Possibly the Senator has been so unfortunate in his associates that he has not learned those terms.

The article continues:

As the clever Mr. Johnston sold the cotton off, the farmers who had become the actual owners of the cotton, through their cer-tificates, received installment payments on its value.

Senators, listen to this indictment:

The dividends went on and on, until the full amount which the Federal Farm Board had originally given for the cotton had been paid out on the farmers' certificates. The certificates began to look like worthless paper to the farmers.

Not so to a smart group of cotton speculators, who sent buyers through the South to gather in all the certificates available.

That reminds us of the old story as to how, in the early beginning of this Government men went around over the country and bought bonds issued by the Original Colonies. They bought up the bonds before the Congress assumed the obligation for them.

The buyers were successful, and the speculators pretty nearly cornered the entire certificate supply. Then it was announced that, in addition to everything that has been paid out, clever Mr. Johnston had made an actual profit of \$1,800,000. The speculators prepared to receive this manna with thankful hearts.

Unfortunately, the Agriculture Department put its foot down. The Department experts knew perfectly well who had bought up the certificates and how and why. They took the position that there was no moral obligation to pay the \$1,800,000 of profit on Mr. Johnston's operations to a set of cotton speculators. For a time things looked bad for the speculators, but now Senator SMITH has come to the rescue.

Mr. President, the Senator from Alabama informs us that the Department has made a search and has found that only about 14 percent of these certificates have been cornered by the so-called cotton speculators as set out in this article appearing in the Star. In order to satisfy any Senator who may not be satisfied, and in order to defeat any speculator, if there were speculators, I offer an amendment to section 95 that will eliminate all suspicion or any chance of racketeering at the expense of the original owners of these certificates. I have written the amendment hurriedly. It may not be perfect in its diction, but I think it conveys the idea.

Mr. BANKHEAD. Mr. President, let me hand to the Senator one which I had prepared to submit to the Senate.

Mr. BILBO. This is the amendment just handed me by the Senator from Alabama:

Payments of pool participation certificates held by others than the original producers to whom they were issued shall be limited to the amount actually paid for such certificates with interest at 4 percent from the date of purchase.

I do not like that, because I think it is perfectly all right for anyone who bought those certificates to be paid the money that was invested, under the statement made by the Senator from South Carolina [Mr. Smith] that the transaction in these certificates was bona fide and in good faith.

My amendment reads:

Nothing in this title No. IX shall be considered to authorize the Secretary to pay the assignee of any holder of such cotton pool participation trust certificates, form C-51 (other than the original owner) more than the purchase price paid by the assignee or holder of such certificate or certificates; provided such purchase price is \$1 per bale or twenty-one hundredths of a cent per pound or less.

If the assignee or holder other than the original holder receives less than \$1 per bale or twenty-one hundredths of a cent per pound, then the remainder between such payment so received by the assignee or holder and \$1 per bale or twenty-one hundredths of a cent per pound shall be paid to the producer or original holder of such certificate or certificates.

This not only takes care of the man who bought the certificate, but if he bought it for less than \$1 and there is a remainder left after he receives what was paid by him, then the Secretary is authorized to pay the remainder to the original owner, the farmer who originally held the certificate.

Mr. BAILEY. Mr. President, I was not very greatly enlightened by what the Senator from Mississippi [Mr. Bilbo] said. It did not answer my question. I have a note from a very distinguished Senator who says, "The term 'kitty' is used by Methodists, and not by Baptists."

Mr. SMITH. Does the Senator pretend to tell me that a Member of this body is so unfamiliar with the relative merits of the two denominations that he made that mistake? [Laughter.]

Mr. BAILEY. I do not say. I merely read what the note said.

Mr. SMITH. If the Senator has any doubt whatever as to the meaning of the term, there are ample schools roundabout where he can learn its true meaning.

Mr. BAILEY. The thing strange about it is that none of these gentlemen with all this knowledge will give me any portion of it. If this article is libelous per se, as the Senator from Mississippi said, it is libelous per se in the use of the word "kitty." The word "kitty" has a very distinct meaning. It has a distinct meaning whether used by a Methodist, a Baptist, a Presbyterian, in the United States Senate, or by barbarians, whether used in Mississippi, North Carolina, South Carolina, or the District of Columbia.

The "kitty" is that portion of the proceeds on the table in a poker game which is set aside for the house, or on other occasions it is set aside in a common pot to be gambled for subsequently. That is my understanding of the word "kitty."

The use of the word "kitty" suggests that there was a common pot between the gentlemen, and that would suggest criminality and raise the presumption of libel with malice and of libel per se.

I was hoping the Senator from Mississippi [Mr. Bilbo] would explain why he said the article was libelous per se. I am going to agree with him. If the court should accept my definition of the word "kitty," which I understand is the general definition in Washington and elsewhere, then the article is libelous per se; but if it adopts the idea of "kitty" being a young cat, it is not libelous per se. [Laughter.] All will depend on how the jury is charged in the circumstances.

While I have been on my feet I have been given this information about the meaning of "kitty" by two distinguished Senators in my rear. I knew nothing about it and I am giving my thanks to them for whispering to me about the "kitty."

But, Mr. President, I have something else on my mind. I question whether we could get very far by protesting in the Senate against what is written in the newspapers. I join with my friends in this protest against the reflection upon the distinguished senior Senator from South Carolina. The whole thing brought to my mind a matter of some importance to the farmers of North Carolina for which he was responsible. I wish to put it in the Record by way of being simply just to him.

Two years ago the Department of Agriculture distributed considerable sums of money to the tobacco farmers of my State. Farmers came to me with the checks and asked if it was right for them to receive them. They said they had been paid their rental benefits, they had been paid everything due them under the A. A., and this money came beyond the A. A. A. I looked into the matter and found the checks were divided checks from a tobacco pool which came over from the old cooperative collapse. The Government took over tobacco under precisely the terms of these cotton certificates, in a pool of the same character, and when the Department of Agriculture proposed to sell the tobacco at a price that would have yielded the farmer less than 11 cents a pound, the senior Senator from South Carolina [Mr. SMITH] persuaded them, and I think had an act passed requiring them to hold that tobacco.

It was finally sold, and under the influence and leadership of the senior Senator from South Carolina that tobacco brought to the farmers of North Carolina and South Carolina several million dollars. The senior Senator from South Carolina has never been thanked by the farmers. They thought it was rental money and A. A. A. money. It was the old tobacco cooperative money which brought the price of 20 cents a pound only because of what the senior Senator from South Carolina did. I desire to thank him now in behalf of the farmers of North Carolina.

Mr. HATCH. Mr. President, I do not think there is any disagreement about the end sought to be accomplished by the amendment offered by the Senator from Mississippi [Mr. Bilbo], but I must confess that as it was read I was somewhat confused as to the language. I observed that the Senator

from Mississippi himself said he had prepared it rather hurriedly. The Senator from Alabama [Mr. BANKHEAD] has also prepared a similar amendment which the Senator from Mississippi read in the course of his remarks. I am wondering if the Senator from Mississippi would agree to let this matter go over until tomorrow morning so his amendment may be printed? At the suggestion of the Senator from Alabama I am sending to the desk the amendment prepared by that Senator, and ask that it be printed and lie on the table so we may consider its language.

Mr. BILBO. I shall be glad to have that arrangement

made. The amendment was prepared hurriedly.

The PRESIDING OFFICER. Both amendments will be received, printed, and lie on the table.

Mr. BARKLEY. Mr. President, I suggest that we return to the amendments passed over, and take them up in the order in which they were passed over.

The PRESIDING OFFICER. Without objection, the clerk

will state the first amendment passed over.

The CHIEF CLERK. On page 10, line 12, after the word "year", it is proposed to insert the words "provided, in case of wheat and corn, the farmer is a cooperator."

Mr. BANKHEAD. Mr. President, I desire to withdraw the

amendment and present another amendment.

The PRESIDING OFFICER. The Senator may modify the amendment. The clerk will state the amendment now

offered by the Senator from Alabama.

The CHIEF CLERK. On page 10, line 13, it is proposed to strike out the words "in case of wheat and cotton", and on page 11, lines 5 and 6, to strike out the words "under the national marketing quota for cotton" and to insert a period. It is proposed to add, on page 11, at the end of line 5, the words "In the event there is in effect a national marketing quota for cotton each farmer shall be considered a cooperator under this section unless he knowingly fails to comply with the cotton allotment under the national marketing quota for cotton.'

The PRESIDING OFFICER. The amendment of the Senator appears to be in two parts, the first to line 13 on page 10.

Mr. BANKHEAD. All the provisions must be considered

together to make the amendment understandable.

The PRESIDING OFFICER. In order that the amendment may be considered, it will be necessary that the action of the Senate in agreeing to the amendment on page 11 be reconsidered. Is there objection to a reconsideration of the vote by which that amendment was agreed to? The Chair hears none, and the vote is reconsidered.

Mr. McNARY. Mr. President, I fail to follow the Sena-

tor in his proposal as to page 10, section 6.

Mr. BANKHEAD. The object of the amendment is to make it clear that cotton, wheat, and corn occupy exactly the same position under the appropriations made for the basic commodities in the bill. As written, "in case of wheat and corn the farmer must be a cooperator." I would strike out the words "in case of wheat and corn", because we would go back to a former provision and include cotton, wheat, and corn, putting them all on an equal footing. On page 11 I propose to strike out the words "under the national marketing quota for cotton", because it developed that there might not be a national marketing quota for cotton, and that would necessarily exclude cotton altogether. There are several reasons why we may not have that quota. In lieu of the language to be stricken out it is provided in the amendment that in the event we have a quota the cotton farmer will then be construed to be a cooperator so as to qualify cotton, in the provision on page 10, in the same category with wheat and corn. I have submitted the amendment to other Members of the Senate interested in the production of cotton, and it is agreeable.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama to

the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. BANKHEAD. Mr. President, there is another amendment to this amendment I desire to submit, in line 10, page 10, where I ask that the word "may" be substituted for the word "shall"; in other words, to make the payments permissive if the Department has the money and not manda-

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama, on page 10, line 10, to substitute the word "may" for the word

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment passed over, on page 26.

Mr. McNARY. Mr. President, my record shows that the amendment on page 11, subdivision (c), was passed over at the request of the senior Senator from Idaho [Mr. Borah]. I may be wrong in this, but that is the notation I have.

The PRESIDING OFFICER. The clerk informs the Chair that that amendment has been agreed to. The clerk will

state the next amendment passed over.

The CHIEF CLERK. On page 26, line 20, after the word "through", the committee proposes to insert the words "the State, county, and."

The PRESIDING OFFICER. This amendment was passed over at the request of the Senator from Iowa [Mr. GILLETTE].

Mr. AUSTIN. Mr. President, the Senator who asked that this amendment go over being absent, I think a quorum should be called.

Mr. BARKLEY. Mr. President, I suggest that if necessary we can suspend action on the amendment until the Senator returns to the Chamber. I think that would be preferable to having a quorum called, because we hope to take a recess at 5:30.

The PRESIDING OFFICER. The amendment will be passed over, and the next amendment passed over, at the request of the Senator from Idaho [Mr. Pope], will be stated.

The CHIEF CLERK. On page 27, line 1, after the word "market", it is proposed to strike out the following:

The marketing quota for any farm shall be the amount of the current crop of the commodity produced on the farm less, first, the normal yield of the acreage on the farm devoted to the production of such commodity in excess of that percentage of his soil-depleof such commodity in excess of that percentage of the string base acreage therefor which is equal to the percentage of the national soil-depleting base acreage specified in the proclamation of the Secretary, and, second, any amount of such crop placed under seal pursuant to the provisions of section 4.

Mr. POPE. Mr. President, I have an amendment which will take the place of the committee amendment, and I have had it printed. However, it relates to certain matters concerning the dairying and livestock industry. I now ask that the clerk report the amendment which I have had printed, in lieu of the amendment read.

Mr. McNARY. Mr. President, if it refers to the dairy problem, which has been informally discussed, I suggest that it go over until the first thing tomorrow.

Mr. BARKLEY. Mr. President, in view of the fact that it is contemplated that we will take a recess at 5:30 o'clock. I think it would be advisable not to enter into the discussion of these controversial matters, but go on and dispose of such amendments as are not seriously controversial, and which we can dispose of.

The PRESIDING OFFICER. Without objection, the amendment will again be passed over.

Mr. COPELAND. Mr. President, I think it was understood that all the dairy amendments should be given consideration at one time, so that if this amendment can go over again, it will be desirable.

The PRESIDING OFFICER. The next amendment passed over, on page 35, line 24, went over on the request of the Senator from Mississippi [Mr. Bilbo].

Mr. BILBO. Mr. President, I ask that this go over further, because we are trying to get some statistics from the Department of Agriculture to see how this formula will work in actual operation.

The PRESIDING OFFICER. Without objection, the amendment will again be passed over, and the clerk will state the next amendment passed over.

The CHIEF CLERK. On page 36, line 3, it is proposed to insert the following:

(2) At least 95 percent of any acreage remaining shall be apportioned to the farms in the county in the same proportion that portioned to the farms in the county in the same proportion that the lands tilled on each farm in the preceding year bears to the total tilled lands in the county in such year.

The PRESIDING OFFICER. This amendment was passed over at the request of the Senator from Louisiana [Mr. OVERTON 1.

Mr. OVERTON. Mr. President, that amendment was agreed to.

The PRESIDING OFFICER. As the Chair recalls, the Senator called it up specially heretofore and offered an amendment to it, and the amendment to the amendment was agreed to; and then the section as amended was agreed to.

Mr. OVERTON. That is correct. That is my understanding

The PRESIDING OFFICER. On page 37, in section 33 (a), an amendment was offered at the request of the Senator from New Mexico [Mr. HATCH].

Mr. LEE. Mr. President, what page is that?

The PRESIDING OFFICER. Page 37. The Chair will state to the Senator from Oklahoma that the Senator from New Mexico offered an amendment, and that amendment was agreed to, and then the whole section was passed over at the request of the Senator from New Mexico [Mr. HATCH].

Mr. HATCH. Mr. President, if I may have the attention of the Senator from Alabama [Mr. BANKHEAD], I will say that the amendment I had in mind is not important. The amendment is in section 33 (a), on page 37. The thought I had in mind was that, under the language of the bill as drawn, the prima facie evidence of presumption raised by the provision of the bill applied only to cotton that was ginned and sold, requiring both actions in order to raise the presumption. In view of the fact that in some localities cotton is sold in the seed, it occurred to me that it might be wise to insert after the word "it" in line 25 the following: "or selling the same in the seed."

Mr. BANKHEAD. I accept the amendment.

Mr. HATCH. I offer that as an amendment, Mr. President. The PRESIDENT pro tempore. The Senator will restate the amendment.

Mr. HATCH. In line 25, page 37, after the word "it", I move to insert the words "or selling the same in the seed."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. HATCH] to the amendment reported by the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. LEE. Mr. President, did we complete action on the cotton title?

Mr. BAILEY. Mr. President, I have an amendment to the

Mr. BARKLEY. If the Senator from Oklahoma [Mr. LEE] desired to offer his substitute to the whole cotton title, I was going to ask that that go over until tomorrow without prejudice to his right to do so, because evidently it would be controversial, and we could not finish it tonight anyway.

I ask unanimous consent that the Senator from Oklahoma [Mr. LEE] may be permitted to offer his substitute to the cotton title tomorrow.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the next amendment, which was passed over at the request of the Senator from Tennessee [Mr. Mc-

The CHIEF CLERK. On page 40, section 35, from line 1 to line 11, inclusive, was passed over, as follows:

SEC. 35. The Commodity Credit Corporation is hereby authortzed and directed to extend the maturity date of all notes evidencing a loan made by that Corporation on cotton produced during the crop year 1937–38 from July 31, 1938, to July 31, 1939.

The Corporation is further authorized and directed to waive its

right to reimbursement form warehousemen accruing because of the improper grading of cotton as provided in the loan agreement. Except insofar as herein specifically modified, all the terms and conditions of the loan agreement shall remain applicable.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 40, being section 35

Mr. BARKLEY. I should like to have the amendment explained, unless it is agreeable to the members of the committee.

Mr. McKELLAR. The amendment is agreeable to the members of the committee. I have talked with them

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 40, being section 35.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment passed over is on page 47, where the Senator from North Carolina [Mr. Balley] proposed to add an amendment at the end of line 2.

Mr. BANKHEAD. Mr. President, a parliamentary inquiry. The PRESIDENT pro tempore. The Senator will state it. Mr. BANKHEAD. The first sentence on page 40 has been adopted has it?

The PRESIDENT pro tempore. That has been adopted. Mr. BANKHEAD. And the second sentence also has been adopted as amended?

The PRESIDENT pro tempore. Yes; it has been adopted as amended.

Mr. BARKLEY. Mr. President, with respect to the amendment on page 47, I will say that that section was passed over. I think, at the request of the Senator from North Carolina [Mr. Bailey] who has offered an amendment to it. Inasmuch as that amendment will lead to some discussion, I suggest that it go over until tomorrow.

The PRESIDENT pro tempore. Without objection, it is so

The clerk will state the next amendment passed over.

The CHIEF CLERK. On page 47, line 23, Mr. King offered an amendment to strike out the figures "500" and to insert in lieu thereof the figures "100."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. King] to the amendment of the committee, on page 47, line 23.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on the adoption of subsection (b) on page 47, beginning in line 3.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment passed over will be stated.

The CHIEF CLERK. On page 78, line 16, after the word "sums"-

Mr. BARKLEY. Mr. President, that amendment will have to go over until tomorrow.

Mr. McNARY. Mr. President, there was one committee amendment on page 48, or thereabouts, with respect to the marketing quota, to which I desire to offer an amendment. If the Senator wishes to ask for a recess now, I will take it up tomorrow.

Mr. BARKLEY. Mr. President, I think we may suspend!

I wish to state for the benefit of Members of the Senate that it is very important that the pending bill shall be finally passed by the Senate at the earliest possible date. If we are to recess or adjourn this extra session on the 22d of this month, that means that we have only 8 more legislative days until that date. No one can predict how long the bill will be in conference. I should very much like-and I am sure all those who have worked on this measure so faithfully would like—to see the bill passed through the Senate and sent to conference in time for the conferees to agree and bring back their report and have the Senate adopt the conference report and pass the bill before we take an adjournment for the holidays.

I want to say in that connection that I do not desire to hold out any-I do not like the word "threat"-to hold out any suggestion that we may have to resort to night sessions, although we may have to have one tomorrow night or the

next night in order to dispose of the measure.

Therefore I hope that tomorrow we may refrain from the temptation of injecting extraneous matters for discussion outside the province of this measure. We spent 2 or 3 hours today very entertainingly, and probably necessarily, in discussing the war in China and also in "panning" the Bituminous Coal Commission. But in view of the importance of early action on this bill, I appeal to Senators from now on, while we are considering the bill, to limit themselves to its consideration in order that we may dispose of it in time for the conferees to get together and work out the bill—in all probability the bill will have to be written in conference anyway—so that we may act upon it finally before we adjourn.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEE ON POST OFFICES AND POST ROADS

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters, which were ordered to be placed on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Forrest K. Geerken, of Minnesota, to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

The PRESIDENT pro tempore. Without objection, the

nomination is confirmed.

The legislative clerk read the nomination of David A. Thomasson, of Kentucky, to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations for promotions in the Regular Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations for promotions in the Regular Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the Executive Calendar.

SUSPENSION OF RULE REGARDING NOMINATIONS

On motion of Mr. Barkley, and by unanimous consent, it was

Ordered, That paragraph 6 of Rule XXXVIII be suspended and that all nominations on the Executive Calendar of the Senate, or pending before any of the standing committees of the Senate, shall remain in statu quo until the convening of the next session of Congress, and that the said nominations shall not be affected by the adjournment of the present session of Congress.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 32 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, December 14, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 13 (legislative day of November 16), 1937

DIPLOMATIC AND FOREIGN SERVICE

Forrest K. Geerken to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

David A. Thomasson to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Robert Emmett Mason Goolrick, Air Corps (temporary colonel, Air Corps).

Marshall Magruder, Field Artillery.

Walter Putney Boatwright, Ordnance Department.

John Piper Smith, Coast Artillery Corps.

George Richard Koehler, Infantry.

Oliver Seth Wood, Infantry.

Allen Mitchell Burdett, Judge Advocate General's Department.

Edwin Kennedy Smith, Coast Artillery Corps.

To be lieutenant colonels

Douglas Jenkins Page, Field Artillery.

James Nephew Caperton, Cavalry.

Harrison Herman, Cavalry.

Frank Clark Scofield, Coast Artillery Corps.

George Joseph Newgarden, Jr., Infantry.

John Forest Goodman, Infantry.

Ferdinand Francis Gallagher, Coast Artillery Corps.

Barrington Lockhart Flanigen, Coast Artillery Corps.

Robert Kenneth Whitson, Infantry.

To be majors

Clay Anderson, Corps of Engineers.
Vernon Calhoun DeVotie, Infantry.
Willis Arthur Platts, Quartermaster Corps.
Rene Edward deRussy, Quartermaster Corps.
Irvin Boston Warner, Field Artillery.
Clyde Grady, Infantry.
Edward Marion George, Quartermaster Corps.
Horace Joseph Brooks, Infantry.
Morgan Ellis Jones, Infantry.
George Howard Rarey, Infantry.
Jacob Edward Uhrig, Infantry.
Samuel Rivington Goodwin, Cavalry.
George Walcott Ames, Coast Artillery Corps.
Arthur Wellington Brock, Jr., Air Corps (temporary major, Air Corps).

MEDICAL CORPS

To be lieutenant colonels

Lucius Kennedy Patterson Charles Robert Mueller Charles Fletcher Davis Clarence Mansfield Reddig William James Carroll Adam George Heilman

To be captains

John Thompson Brown Strode Paul Hartsock Leach Rex Clayton House

DENTAL CORPS

Daniel Sumner Lockwood to be lieutenant colonel. Joseph Leroy Bernier to be captain.

VETERINARY CORPS

Velmer Wayne McGinnis to be captain.

CHAPLAINS

To be chaplains with the rank of lieutenant colonel, United States Army

Thomas Joseph Lennan Claude Skene Harkey

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants

Joseph Pease Russell
Elmer Deloss Gay
Erling Severre Fugelso
Paul Alexander Paden
David Fisher
Henry McClellan Greenleaf
Robert Reed Kelley
Henry George Moehring
Henry Armand Kind
John Henry Taber
George John Matt
Patrick Ignatius McShane
Louis Samuel Leland
Andres Gilberto Oliver

Earl Cranston Lowry
Eugene Richard Inwood
Kirk Shepard
Clifford Lewis Graves
Clark Batchelder Williams
John Robert Woodruff
Walter Joseph Reedy
William Clark Cooper
Henry Clay Vedder
George Zalkan
Albert Willard Kuske
Leon Joseph Numainville
Jay James Palmer
William Maurice Jackson

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY
Capt. Joseph Blair Daugherty, to the Quartermaster Corps.

POSTMASTERS

ALABAMA

Albert W. Darby, Florence.

ARIZONA

John E. Wagner, Jerome.

KANSAS

Olga Warner, Arlington.

KENTUCKY

Roy F. Williams, Lexington.

MASSACHUSETTS

Joseph William Gorman, Upton.

PENNSYLVANIA

Frank O'Neill, St. Marys.

HOUSE OF REPRESENTATIVES

Monday, December 13, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed Heavenly Father, we pray in the name of our Savior, who is not only the hope of glory but the spring of all moral influences; without Him we are weak, indeed. Endue us with that wisdom which casts our fear, that checks the feeling of shame and brings us to a place of confidence and encouragement. Bless, we pray Thee, all classes of our citizens—those who are most needy and ignorant and those who bear wrongs thrust upon them by others. We pray Thee to be with the youth of our land. May they grow up with faith in virtue, faith in truth, and faith in honor. Allow nothing, O Lord, to lead them away from a firm confidence in the power and happiness of personal integrity. Mercifully remember the Congress; may it administer its trust in the fear of God and with a true heart. Heavenly Father, may we believe in our country heartily and serve it unselfishly. In the Redeemer's name.

The Journal of the proceedings of Friday, December 10, 1937, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3114. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.

EXTENSION OF REMARKS

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein brief extracts from two resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SNELL. Mr. Speaker, I make a point of order a quorum is not present.

The SPEAKER. Will the gentleman from New York withhold his request until the unanimous-consent requests are considered?

Mr. SNELL. I withhold the point of order, Mr. Speaker.
Mr. HOUSTON. Mr. Speaker, I ask unanimous consent
to extend my remarks in the Record and include therein a
short poem by a Brooklyn high-school student on the futility
of war.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record in two particulars, (1) a radio address on the subject of firearms, and (2) a letter addressed to the Federal Trade Commission.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a radio address by the Honorable Harold L. Ickes on the opening of the Grand Coulee Dam bid.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. Ellenbogen asked and was given permission to extend his own remarks in the Record.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by including a short letter from the American Federation of Labor, with a brief analysis of the present wage-hour bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a telegram from the Massachusetts State Federation of Labor on the wage and hour bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SESSIONS OF COMMITTEES OF THE HOUSE

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman wil state it. Mr. WOLCOTT. Mr. Speaker, has a legislative commit-

Mr. WOLCOTT. Mr. Speaker, has a legislative committee authority to sit during a session of the Committee of the Whole House on the state of the Union without the consent of the House?

The SPEAKER. In answer to the parliamentary inquiry of the gentleman from Michigan, the Chair will quote the provisions of clause 46 of rule XI, which provides that—

No committee, except the Committee on Rules, shall sit during the sitting of the House, without special leave.

The Chair is of the opinion that when the House resolves itself into the Committee of the Whole House on the state of the Union the procedure is in a large measure a parliamentary fiction and contemplates the presence in the Committee of the Whole of the membership of the House itself. If a committee of the House were permitted to sit during sessions of the Committee of the Whole House on the state of the Union and all commmittees of the House desired to pursue this course, the gentleman can well see it would probably diminish the attendance here far below the quorum which is always required.

The Chair is of the opinion that no committee of the House can sit during a session of the House itself or a session of the Committee of the Whole without special leave.

(Mr. Sabath asked and was given permission to extend his own remarks in the Record.)

COMMITTEE ON BANKING AND CURRENCY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit during sessions of the House and during sessions of the Committee of the Whole for the remainder of the session.

Mr. O'CONNOR of New York. Reserving the right to object, Mr. Speaker, for how long, may I ask the gentleman from Alabama?

Mr. STEAGALL. During consideration of the Housing bill this week, Mr. Speaker.

The SPEAKER. The gentleman from Alabama, the chairman of the Committee on Banking and Currency, asks unanimous consent that during the present week the Committee on Banking and Currency may sit during the sessions of the House and of the Committee of the Whole House on the state of the Union. Is there objection?

Mr. STEAGALL. During the consideration of the Hous-

Mr. WOLCOTT. I object, Mr. Speaker.

CALL OF THE HOUSE

Mrs. NORTON. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. The Chair will count. [After counting.]
Two hundred and twelve Members are present, not a quorum.
Mr. RAYBURN. Mr. Speaker, I move a call of the House.
A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 16	1	
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Atkinson	Burdick	Gasque	Towey
Binderup	Cole, Md.	Jarrett	Warren
Boylan	Collins	Kleberg	Whelchel
Brooks	Costello	Phillips	White.Idaho
Buck	Disney	Richards	
Buckley N V	Ditter	Sanders	

The SPEAKER. On this call 408 Members have answered to their names, a quorum.

On motion of Mrs. Norton, further proceedings under the call were dispensed with.

THE HOUR AND WAGE BILL

Mrs. NORTON. Mr. Speaker, under rule XXVII of the House I call up the petition to discharge the Committee on Rules from further consideration of House Resolution 312.

The SPEAKER. The gentlewoman from New Jersey calls up a motion to discharge the Committee on Rules from the further consideration of the resolution which the Clerk will report by title.

The Clerk read as follows:

House Resolution 312

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2475, an act to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. DIES. Mr. Speaker, under the rules of the House, as I understand, 20 minutes is to be allowed to a discussion of whether or not the Rules Committee will be discharged, 10 minutes to the proponents and 10 minutes to the opponents. As a member of the committee, I ask for recognition and for the 10 minutes in opposition to the discharge of the committee.

Mr. O'CONNOR of New York. Mr. Speaker, in connection with the parliamentary inquiry, may I say that heretofore on all motions to discharge the Rules Committee the chairman of the Rules Committee has been recognized for the 10 minutes in opposition to the motion, and that irrespective of whether he personally was opposed to the motion.

I appreciate the exact language of the rule, but I recall the precedents of the bonus bills on several occasions, the Frazier-Lemke bill, and the antilynching bill. Of course, if the Speaker is going to rule that under a strict compliance with the discharge rule that anybody recognized for the second 10 minutes must be opposed to the motion to discharge, I may say to my colleague from Texas on the Rules Committee that, as he well knows, I have always been in favor of the wage and hour bill. I have made speeches in favor of such a bill on the floor of this House, in the Democratic caucus, and publicly.

Mr. Speaker, now that a majority of my party, 196 Democrats, have clearly evidenced an intention to consider this matter, I purpose to go along with a majority of my own party. I have often said on this floor and in the Democratic caucus that whenever a majority of my party favored legislation I would follow the majority rule, which is the keystone of democracy. Consistent with that invariable attitude, I therefore cannot qualify strictly against the motion to discharge. A number of my colleagues on the Rules Committee take the same position. This being the case, if the Speaker should now rule that I must first qualify as being opposed to the motion to discharge, I cannot qualify, because I propose to vote for the motion to discharge. [Applause.]

In this way the important proposal of a wage and hour bill can be brought before the House for a thorough consideration. The platform of the Democratic Party adopted at Philadelphia last summer pledged us to take care of the situation as to minimum wages and maximum hours. I ran on that platform and propose to abide by it.

The leader of our Democratic Party, the President of the United States, twice in messages to us, in May and November of this year, requested us to fulfill that party pledge. I propose to follow his leadership.

The SPEAKER. In answer to the parliamentary inquiry of the gentleman from Texas [Mr. Dies], a member of the Rules Committee, the Chair thinks it proper to read the rule in connection with this matter of the control of time so there may be no confusion about the interpretation of the rule:

When any motion under this rule shall be called up, the bill or resolution shall be read by title only. After 20 minutes' debate, one-half in favor of the proposition and one-half in opposition thereto, the House shall proceed to vote on the motion to discharge.

The Chair recalls that on some former occasions the Chairman of the Rules Committee has been recognized in opposition to the motion; but in view of the fact that the gentleman from Texas has asked an interpretation of the rule and proposes himself to qualify in opposition to the rule, and in view of the statement of the gentleman from New York [Mr. O'Connor], the chairman of the Rules Committee, that he cannot qualify in opposition, the Chair feels impelled to rule that if someone desires to be recognized who qualifies in opposition to the rule, he should be recognized under the provisions of the rule.

Mr. SABATH. A parliamentary inquiry, Mr. Speaker. The SPEAKER. The gentleman will state it.

Mr. SABATH. Mr. Speaker, as I understand, there are four or five other gentlemen who are members of the Rules Committee who have been, and I presume still are, opposed to the discharge of the Rules Committee. Would it be fair to them that the time should be allocated to one of the members alone if the others are also desirous of being heard? I think such a course would be manifestly unfair—not that I am opposed to the bill, because I favor the discharge of the committee and am for the bill and for the motion.

The SPEAKER. The Chair is of the opinion, in reply to the question of the gentleman from Illinois [Mr. Sabath] that there is considerable analogy involved in this proposition to that where the question of recognition for a motion to recommit a bill is concerned. When that occasion arises, under the rules, the Chair first asks if the ranking minority Member in opposition to the bill desires to make a motion to recommit, and if he does not, the practice has been that the Chair should go down the list of Members of the committee in the order of priority; and if the gentleman from Illinois insists that this course should be followed in this instance, I think it proper for the Chair to pursue such a course because that has been the practice heretofore.

Mr. SABATH. I believe in fairness to the other Members here, that rule should be followed.

The SPEAKER. The Chair will recognize the gentlewoman from New Jersey [Mrs. Norton] for 10 minutes in favor of the resolution.

The Chair will ask the gentleman from New York [Mr. O'CONNOR], chairman of the Rules Committee, if he is opposed to the motion to discharge the Committee.

Mr. O'CONNOR of New York. Mr. Speaker, I am not. I am in favor of the motion to discharge, and I am in favor of the bill.

The SPEAKER. The Chair will ask the gentleman from Illinois [Mr. Sabath] if he is opposed to the motion.

Mr. SABATH. I am in favor of the resolution, Mr. Speaker.

The SPEAKER. The gentleman from Indiana [Mr. Greenwoop].

Mr. GREENWOOD. Mr. Speaker, I am in favor of the resolution.

The SPEAKER. The gentleman from Georgia [Mr. Cox]. Mr. COX. I am opposed to the resolution, Mr. Speaker. The SPEAKER. Does the gentleman desire to qualify in opposition to the motion to control the time?

Mr. O'CONNOR of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. O'CONNOR of New York. Under the procedure on a motion to recommit, for instance, to which the Chair has called attention, the first opportunity is usually accorded to the minority side of the House, the Republican side. That is the normal rule as to the division of debate. Why should it not apply in this instance? The distinguished lady from New Jersey [Mrs. Norton], chairman of the Committee on Labor, has arisen in support of the motion. Why should not a Member of the Republican minority have preference in opposition to the motion?

The SPEAKER. This proposition is different from that because it is proposed to discharge a committee controlled by the majority.

Mr. O'CONNOR of New York. Mr. Speaker, I find no warrant for that conclusion. No committee is controlled except by a majority vote of the individual members, irrespective of party. There are four members of the Republican minority of the House on the Rules Committee. If at any time two or three of those Republican members of the Rules Committee had voted with the Democratic members who were in favor of a rule for the consideration of the wage and hour bill, no petition to discharge would have even been necessary.

Now, Mr. Speaker, if any of the members of the Rules Committee are going to be interrogated, I insist that the four Republican members of the Rules Committee be interrogated as to how they stand on this motion to discharge. So far they have clearly indicated they are against any wage and hour bill.

Mr. SNELL rose.

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. SNELL. Mr. Speaker, I make the point of order that it is not in order for the Speaker to interrogate the members of the Committee on Rules as to how they stand on this proposition. It has been the custom in the House that if anyone is opposed to a proposition and demands the time and rises and asks for the time, that then is when the Speaker may interrogate that Member as to how he stands upon the question before the House, and not interrogate Members who have not made such a demand for time.

The SPEAKER. The Chair overrules the point of order.

Mr. SNELL. I expected the Chair would, but I made the same in all seriousness.

The SPEAKER. Does any member of the Committee on Rules desire to qualify in opposition to the motion?

Mr. COX. Mr. Speaker, I qualify.

The SPEAKER. The gentleman from Georgia desires to qualify in opposition to the motion, and the Chair will recognize the gentleman from Georgia to control the time in opposition to the motion. The gentlewoman from New Jersey is recognized for 10 minutes.

Mrs. NORTON. Mr. Speaker, on May 24, 1937, the President sent a message to Congress requesting legislation to protect that large group of our citizens, estimated at about 12,000,000, who are working under substandard labor conditions. As a result of that message, a bill was introduced-H. R. 7200-upon which joint hearings were held with the Senate. Following the hearings this bill was considered by the Committee on Labor, but before any definite action was taken the Senate passed its own bill-S. 2475-which was referred to the House committee. In order to expedite the passage of the bill, the House committee considered S. 2475. amended it, and reported it favorably to the House on August 6, 1937. Eighteen members of the committee voted in the affirmative, two in the negative, and one man was absent because of illness, but he otherwise would have voted in the affirmative, making the committee vote almost unanimous. The bill was reported to the House on August 6, 1937. The Rules Committee having refused to report the bill for reasons very difficult to understand, the House was denied the right to debate the bill. We contend that it is the business of the House to debate this bill, particularly since it was reported almost unanimously from the Labor Committee. Because that right was denied, a petition was placed upon the Speaker's desk on November 16, to which 218 names have been affixed. Seven days having elapsed since that time, and the petition having been completed, your committee asks the House for full consideration of the bill.

Mr. Speaker, very seldom, and I think since I came to Congress only once, has the Rules Committee been as arbitrary in the consideration of a bill as it has in this case. We all understand there are differences of opinion concerning the bill. Members have a perfect right to their opinion. each and every Member of this House has a perfect right to his opinion, but I do say that no committee in the House should dare to deny to the Members of the House the right to consider any legislation that has been passed out by a committee of the House. [Applause.] That is the question upon which you must decide this morning. If you start a precedent here in this House by which the Rules Committee can deny a committee of the House the right to present a bill and debate it before the House, then I say to you there is only one committee necessary in the House and that is the Rules Committee. Are you going to permit the Rules Committee to do this to the Members of the House? If I know anything about the membership of this Houseand I appeal to both sides of the House-if I know anything about you gentlemen-of course I am sure of the ladies—I say to you that you certainly will vote to give your committee the confidence that it deserves to have, and permit this bill to come up for consideration.

There are many things that I would like to say concerning the bill, which will be said later on, but one thing I say is this: If this morning you deny consideration of the bill that has been reported out by your committee, you will live to rue the day that you took that position. I now yield 5 minutes to the gentleman from Georgia [Mr. Ramspeck], but in all fairness, Mr. Speaker, I think the opposition should use some of its time. I reserve the remainder of my time.

The SPEAKER. The gentleman from Georgia is recognized for 10 minutes.

Mr. COX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. COX. Mr. Speaker, have the proponents of the measure the right to divide up the time—in other words, reserv-

ing to themselves the conclusion of the argument on the question?

The SPEAKER. The gentleman from Georgia can yield a part of his time of 10 minutes if he so desires. The Chair is of opinion that under frequent decisions of the House the gentlewoman from New Jersey is entitled to the opening and closing of the debate.

Mr. COX. The opening and closing?

The SPEAKER. Yes.

Mr. COX. Mr. Speaker, I yield to the gentleman from Texas [Mr. Dres] the full 10 minutes.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SABATH. Is not the minority that is opposed to this resolution entitled to part of this time?

Mr. LAMNECK. Mr. Speaker, the regular order.

The SPEAKER. Does the gentleman from Illinois submit a point of order?

Mr. SABATH. Mr. Speaker, I do, but I desire to correct my inquiry. When I say "Republicans" I mean some of the Republicans. I do not mean all of the Republicans.

Mr. SNELL. Mr. Speaker, I demand the regular order.

The SPEAKER. The Chair will state in reply to the inquiry of the gentleman from Illinois [Mr. Sabath] that the Chair has already announced the provision of the rule. The gentlewoman from New Jersey controls 10 minutes. The gentleman from Georgia has qualified in opposition to the resolution, and controls 10 minutes. The gentleman from Texas [Mr. Dies] has been recognized for 10 minutes. [Applause.]

Mr. DIES. Mr. Speaker, I cannot agree with the gentlewoman from New Jersey when she says that this is a Democratic measure. If the gentlewoman will take the time to read the Democratic platform, which may not mean anything to some Members, but which should mean a great deal to the Democratic Party, she will find that that platform plainly and specifically calls for a wage and hour bill, providing for both State and Federal action; a bill that clearly contemplates joint cooperation on the part of the State and the Federal Government. That is the pledge upon which we went to the country. That is the wage and hour plank

that was endorsed by the American people.

But that is not the kind of a bill that we are asked to consider. The House bill not only violates the Democratic platform, but it repudiates every pledge that the Democrats have made from the day that President Roosevelt was nominated in 1932 until the present time. We went around this country denouncing bureaucracy, and, using the stirring language of the President, we denounced government by supermen. In the language of our great leader, we said that no government could be administered wisely and properly when Congress delegates its constitutional functions to bureaucratic boards or to dictatorial administrators. I do not have the time to quote from some of the magnificent speeches made by our President in which he denounced government by bureaucracy, but I think the following quotation from his farm program enunciated on September 15, 1932, is a fair example of the attitude he assumed with respect to bureaucratic control. In speaking of the farm plan he said:

It must make use of its existing agencies, and so far as possible be decentralized in its administration, so that the chief responsibility for its operation will rest with the locality rather than with newly created bureaucratic machinery in Washington.

In this bill we propose to place in the hands of bureaucrats or an administrator, as the case may be, the right to differentiate and discriminate between the same industries in the same sections. The bill proposes to delegate to this "newly created bureaucratic machinery in Washington" the power of life and death over industry and labor. It must never be forgotten that the right to differentiate and discriminate is the right to destroy. If any Member has any doubt as to the effect of the exercise of such power by the board, he need only study the recent report on what the N. R. A. did with respect to minimum wages and maximum hours. He will find that an artificial line of demarcation was established throughout the Nation; that on one side of the line the wages were 15 percent less than on the other. and that in some towns an industry on one side of the street enjoyed a wage differential over an industry on the other side of the street. That was destructive to fair competition. To indulge the vain hope that "this newly created bureaucratic machinery" will prove an exception to the rule is to ignore the experiences of the past and the elementary lessons of history.

When the gentlewoman from New Jersey says that this is a Democratic measure, it should be pointed out that the action of her own committee repudiates that statement. She has now in her possession a new bill composed of 129 amendments which she intends to offer as a substitute for the pending measure. You will not be called upon to consider and pass the bill that 218 Members of this House signed a petition to discharge from the consideration of the Rules Committee. You will be asked to consider a bill radically different from the original bill in many material respects. Does not this action of the Labor Committee demonstrate that they lack the information to prepare a workable bill? If they had any definite ideas about the kind of bill which should be prepared, could they have sidetracked the original bill so completely and at the eleventh hour brought in a measure which no one has had an opportunity to study? When the committee itself lacks confidence in its own work, how can it inspire confidence in the country?

You have before you a bill that labor does not want. The American Federation of Labor is denouncing it from one part of the country to the other. You have a bill which business denounces as discriminatory and dangerous to economic stability. Many businessmen have said that if Congress is to pass the wage and hour bill, the wages and hours should be fixed, or that some definite formula should be agreed upon that will prevent discriminations and abuses. The present bill will give this "newly created bureaucratic machinery in Washington" the opportunity to discriminate in favor of one industry as against another and to literally destroy legitimate industry and labor. You are optimistically assured that the board will not do any such thing. How do you know that they will not? A bill is to be measured by the power that it gives, and wise legislators will always jealously guard the rights of the people.

You have a bill that every farm organization has denounced. The farmers have asked you why they are being denied the benefit of a living wage. By your vote last week you denied to them parity prices which meant a living wage. Therefore, Mr. Speaker, this bill and its proposed substitute meets with the universal condemnation of every group in our economic and national life. [Applause.]

When the gentlewoman from New Jersey says that the Rules Committee has no precedent to hold up a bill that has been reported favorably by a standing committee, she evidently overlooks the Frazier-Lemke bill. The Committee on Agriculture reported it favorably and this House refused to consider that bill after 218 Members had signed a petition to discharge the committee.

As a matter of fact, we should not consider this illprepared and half-baked measure that is designed to humbug labor-this measure, which even the Labor Committee has repudiated by its action in agreeing to a substantially different substitute.

A measure whose proponents say to the southern Members, "Oh, we are not going to hurt your southern industries; we have inserted in the bill many protecting differentials and provisos and generalities; we are going to protect you against any appreciable wage increase," and then say to the northern Members, "You should support this bill because it will stop the trend of industry from the North to the South." This bill is not for the benefit of labor but is a bill to humbug the laboring people until after the next election.

Not more than a handful of laboring people will be benefited by this bill. According to statistics recently released, not more than 500,000 laboring people will come under the provisions of the bill. You have exempted all agricultural labor and you have exempted many industries engaged in interstate commerce from the operation of the bill. Of

course, the bill does not apply to those engaged in intrastate commerce. While few laboring people will be benefited, the bill will be used as a pretext by many business and industrial concerns to do what they did when we passed the N. R. A.—to increase the prices of all commodities to the American consumer.

Let me say this in conclusion, that you and I face a grave crisis in our economic life. Unemployment is increasing by leaps and bounds. Terror and fear have paralyzed the economic life of the Nation. Factories and plants are either closing down or greatly curtailing employment, with the result that millions of men may again walk the streets in search of jobs. We have undertaken by the expenditure of billions of dollars, that have been borrowed from future generations, to take up the slack. With what degree of success the present situation demonstrates.

It will be unwise to impose upon the country this hastily considered, poorly written, and unintelligible makeshift. Labor and industry have made it clear that they prefer a plain and understandable wage and hour law that will treat everyone alike and preclude bureaucratic arrogance and discriminations. I cannot believe that at this critical moment we are so lacking in judgment and wisdom as to impose upon the country a measure that violates everything that the Democratic Party has ever stood for, a measure that gives a lie to our campaign promises of 1932 and 1936. If the proponents of this measure are sincere in their professed zeal to carry out the Democratic platform, why did they not write a real wage and hour bill and not an absurd makeshift designed to humbug and to deceive the American laboring people into believing that Congress is going to help them?

I do not think a proper bill can be written on the floor of the House in view of the situation which has developed. In the first place, it is doubtful if necessary amendments will be held germane. In the second place, the membership of the House lacks the necessary information with which to wisely frame a workable bill. In fact the whole situation is such that the House is not prepared to write an effective bill, and this bill should go back to the Labor Committee where the entire question should be reopened for a fair and impartial consideration. The committee should permit business, labor, and all groups in our economic life to come before it and to present their views for the purpose of enabling the committee to write a bill that is workable, a bill that is effective, and a bill that is honest. Labor does not want a makeshift. In the end it will be wiser to be honest and frank with labor than it will be to seek to deceive them by such a measure as the one you are proposing. We in the South are just as much interested in a living wage as you in the North, but we are suspicious of the motives which actuate you in proposing the present measure. We know that you will dominate whatever board or administrator that is selected. According to statistics released by the Labor Department, not more than 2 percent of your workers will be affected by this bill. Some of you have frankly told us in the cloak room that the urge for this measure in your section is the hope that the trend of the industries from the North to the South may be stopped. Since you are not proposing a bill which will enable you to help the workers in your own section, we are suspicious as to the motives which actuate you to support a measure that will give to a board or administrator the right to discriminate and differentiate. Any bill that is passed should provide for a living wage in the North the same as in the South. This bill does not do that. It is well known that in the East from 30 to 50 percent of the workers' wage goes to rent. The cost of living is extremely high and a wage earner in the industrial East who receives 40 cents an hour is, in many instances, working for starvation wages. But this bill will not enable you to do anything for that worker. Then, too, as has been pointed out, some of the lowest paid workers in the Nation are in New England, where the workers are paid not by the day but by piece work. It has been recently disclosed that thousands of the girls who are doing this work are in pitiful condition. This bill does not propose to help the piece workers in the North. In view of these facts, is it any wonder that many southerners suspect that the real purpose behind this bill is to discriminate against southern industry and labor?

Although we only had eight lynchings in the South last year the majority of you passed an antilynching bill designed to punish the South and destroy State sovereignty.

Coming upon the heel of that infamous bill, is there any wonder that we suspect your motives when you espouse a measure that cannot help the low-paid workers in your section but will give to you a strangle hold upon our industry and labor? I am not saying that these are the motives that actuate you in sponsoring this bill, but I do say that your refusal to write a plain and understandable bill is just ground for our suspicion. If you really want a wage and hour bill designed to help labor, then let us have the courage to write it on the statute books and make it apply to all sections. [Applause.] If you cannot do that, then at least be honest with the country and stop humbugging the workers of the Nation and telling them something that you and I know will never happen.

I submit, Mr. Speaker, that a bill which exempts some 50-odd industries; a bill that ignores the majority of workers throughout the country; a bill that provides for what you in the North profess to complain about, differentials; a bill that perpetuates by law the very conditions that you say you are against; I submit that such a bill should not be considered on this floor but should be sent back to the Labor Committee, where the entire question can be reconsidered.

If we are interested in good government and in the cause of democracy, we will send this bill back to the committee and tell the committee to prepare an intelligible, workable, and honest measure that will do what the people of this country have been led to believe that we intend to do. [Applause.]

Mrs. NORTON. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, the gentleman from Texas always makes a fine speech. Had he been discussing this bill on its merits just before the final vote I would say he had made an applicable argument; but we are not facing the question at this hour of whether we are going to pass a wage-hour bill, we are facing in this vote only the question, my friends—and I appeal first to the Members of my party—whether or not we have the courage to face a recommendation sent us by our party leader from the White House and to meet the issue fairly [applause]; and, Republicans, you face the question whether or not you are going to be a party to holding business in suspense for another several months and not have the courage to face the issue of a wage-hour bill. For myself I am going to vote to bring this bill up for consideration. [Applause.]

Mr. Speaker, I think the worst thing that could happen to the business interests of this country at this particular hour is to leave business in a state of suspense on this question. Let us have the courage, my friends, to vote to consider this bill and then vote our convictions on passage after the bill has been perfected in the Committee of the Whole. I came to Congress 8 years ago while the Republicans had a majority of 160. For more than 12 months they held this country in a state of suspense as to what the tariff law would be. It is my personal judgment that that did more to cause the panic of 1929 than any other single thing that happened in this country. Now let us not put that burden upon business in this country. Let us have the courage to face this party plank in our platform, let us have the courage to act upon the recommendations of the President of the United States who sent his message here last May. Let us remember the fact that your committee from the House and a similar committee from the Senate held joint hearings, morning and afternoon, for 3 weeks, that your House committee gave further consideration to this question in executive session for an additional 3 weeks before reporting this measure. The committee has further considered the matter this session. While I am not here to criticize the members of the Rules Committee, I do differ with them in their judgment. I believe they acted wrongfully in withholding this measure.

Allen, Ill.

Arends

Bacon

Andresen, Minn. Andrews

I appeal to the Democrats to stand by on this issue and face it squarely. Let us vote on the matter and decide this question on its merits. Let us not send it back to the committee of all things, but give business the opportunity now to know what wages they are going to have to pay and what conditions they are going to have to operate under. Let us vote to discharge the Rules Committee and bring this matter up for a fair consideration on its merits. [Applause.]

The SPEAKER. All time has expired. The question is on the motion to discharge the committee.

The question was taken, and the Chair announced he was in doubt.

Mr. DEEN. Mr. Speaker, I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were-yeas 285, nays 123, not voting 22, as follows:

[Roll No. 17]

YEAS-285

*****	When a to be add a to b	**	-
Aleshire	Englebright	Kopplemann	Ramspeck
Allen, Del.	Evans	Kramer	Randolph
Allen, La.	Faddis	Lanzetta	Rayburn
Allen, Pa.	Farley	Larrabee	Reed, Ill. Rees, Kans.
Amlie	Ferguson	Lea	Rees Kans
Anderson, Mo.	Fernandez	Leavy	Richards
Arnold	Fish	Lemke	Rigney
Ashbrook	Fitzgerald	Lesinski	Robinson, Utah
Barden	Fitzpatrick	Lewis, Colo.	Robsion, Ky.
Barry	Flannagan	Lewis, Md.	Rogers, Mass.
Barton	Flannery	Long	Romjue
Bates	Fleger	Lucas	Ryan
Beam		Luckey, Nebr.	Sabath
	Fletcher		
Beiter	Forand	Ludlow	Sacks
Bell	Ford, Calif.	Luecke, Mich.	Sadowski
Bernard	Frey, Pa.	McAndrews	Sauthoff
Bigelow	Fries, Ill.	McCormack	Schaefer, Ill.
Binderup	Gambrill, Md.	McFarlane	Schneider, Wis.
Bloom	Gavagan	McGrath	Schuetz
Boehne	Gearhart	McGroarty	Schulte
			Scott
Boileau	Gehrmann	McKeough	
Boland, Pa.	Gifford	McLaughlin	Scrugham
Boren	Gilchrist	McSweeney	Secrest
Boyer	Gildea	Magnuson	Seger
Bradley	Gingery	Mahon, S. C.	Shanley
Brewster	Goldsborough	Mahon, Tex.	Shannon
Buck		Maloney	Sheppard
	Gray, Ind.	Maloney	
Buckler, Minn.	Gray, Pa.	Mansfield	Sirovich
Bulwinkle	Greenwood	Martin, Colo.	Smith, Conn.
Burdick	Greever	Martin, Mass.	Smith, Maine
Byrne	Gregory	Massingale	Smith, Wash.
Cannon, Wis.	Griffith	Maverick	Smith, W. Va.
Carter	Griswold	May	Snyder, Pa.
	Haines	Mead	
Cartwright			Somers, N. Y.
Casey, Mass.	Hancock, N. C.	Meeks	South
Celler	Harlan	Merritt	Spence
Champion	Harrington	Mills	Stack
Chandler	Hart	Mitchell, Ill.	Stefan
Citron	Harter	Moser, Pa.	Sullivan
Cochran	Havenner	Mosier, Ohio	Sumners, Tex.
		Mouton	Sutphin
Coffee, Wash.	Healey		
Colden	Hendricks	Murdock, Ariz.	Sweeney
Connery	Hennings	Nelson	Swope
Cooley	Hildebrandt	Nichols	Taylor, Colo.
Creal	Hill, Ala.	Norton	Teigan
Crosby	Hill, Wash.	O'Brien, Ill.	Thom
Crosser	Honeyman	O'Brien, Mich.	Thomas, N. J.
Crowe	Hook	O'Connell, Mont.	Thomas, Tex.
Culkin	Houston	O'Connell, R. I.	Thomason, Tex.
Cullen	Hull	O'Connor, Mont.	Thompson, Ill.
Cummings	Hunter	O'Connor, N. Y.	Tobey
Curley	Imhoff	O'Day	Tolan
Daly	Izac	O'Leary	Transue
Delaney	Jacobsen	O'Malley	Treadway
		O'Nool Fr	Trootsed
Dempsey	Jenckes, Ind.	O'Neal, Ky.	Umstead
DeMuth	Jenkins, Ohio Jenks, N. H.	O'Neill, N. J.	Vincent, B. M.
DeRouen	Jenks, N. H.	O'Toole	Vinson, Fred M.
Dingell	Johnson, Luther A	.Oliver	Voorhis
Dirksen	Johnson, Lyndon	Palmisano	Wallgren
Dixon	Johnson, Minn.	Parsons	Walter
Dockweiler	Johnson Okla	Patrick	Wearin
Dorsey	Johnson, Okla. Johnson, W. Va.	Patterson	Welch
	Johnson, W. Va.		
Dowell	Jones	Peterson, Fla.	Wene
Drew, Pa.	Kee	Pettengill	White, Idaho
Duncan	Keller	Pfeifer	Wigglesworth
Dunn	Kelly, Ill.	Phillips	Withrow
Eberharter	Kelly, N. Y.	Plumley	Wolverton
Eckert	Kennedy, Md.	Poage	Wood
		Powers	
Edmiston	Kennedy, N. Y.		Zimmerman
Eicher	Kenney	Quinn	
Ellenbogen	Keogh	Rabaut	
Elliott	Kirwan	Ramsay	

NAYS-123 *

Biermann

Bland

Boykin

Brown

Burch

Caldwell

Carlson Chapman

Church

Cannon, Mo.

Clark, N. C.

Clason

Claypool Cluett

Coffee, Nebr. Cole, N. Y. Colmer Cooper Cox Cravens Crawford Deen Dies Dondero Doughton Douglas Doxey Drewry, Va. Driver Eaton Engel Ford. Miss. Fuller Fulmer Gamble, N. Y. Garrett Green Guyer Gwynne

Br Br Ca Ca

Maas Mapes Mason Michener Hamilton Hancock, N. Y. Hartley Mitchell, Tenn. Hobbs Hoffman Mott Owen Pace Holmes Hope Jarman Patman Kerr Kinzer Patton Pearson Kitchens Peterson, Ga. Pierce Kniffin Knutson Polk Kocialkowski Rankin Lambertson Reece, Tenn. Reed, N. Y. Lambeth Rich Lamneck Lanham Robertson Lord Rockefeller Rogers, Okla. Luce McClellan Rutherford McGehee Sanders Satterfield McLean McMillan Shafer, Mich. McReynolds Short

Simpson Smith, Va. Sparkman Starnes Steagall Taber Tarver Taylor, S. C. Taylor, Tenn. Terry Thurston Tinkham Turner Vinson, Ga Wadsworth White, Ohio Whittington Wilcox Williams Wolcott Wolfenden Woodruff Woodrum

> ver elchel

NOT VOTING-22

kinson	Collins	Jarrett	Towey	
oylan, N. Y.	Costello	Kleberg	Warren	
rooks	Dickstein	Kvale	Weaver	
uckley, N. Y.	Disney	McGranery		
ase, S. Dak.	Ditter	Murdock, Utah		
ole, Md.	Gasque	Reilly		

So the motion was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Boylan of New York (for) with Mr. Collins (against).
Mr. Reilly (for) with Mr. Ditter (against).
Mr. Buckley of New York (for) with Mr. Kleberg (against).
Mr. McGranery (for) with Mr. Gasque (against).
Mr. Dickstein (for) with Mr. Jarrett (against).

General pairs:

Mr. Warren with Mr. Case of South Dakota.

Mr. Hennings with Mr. Kvale.
Mr. Cole of Maryland with Mr. Murdock of Utah.
Mr. Weaver with Mr. Costello.
Mr. Disney with Mr. Towey.
Mr. Cole of Maryland with Mr. Whelchel.
Mr. Brooks with Mr. Atkinson.

Mr. Luckey of Nebraska and Mr. Cartwright changed their vote from "nay" to "yea."

Mr. HART. Mr. Speaker, my colleague from New Jersey, Mr. Towey, is unavoidably detained. If present, he would have voted "yea" on the motion.

The result of the vote was announced as above recorded. The SPEAKER. Under the rule the question is on agreeing to the resolution, which the Clerk will again report.

The Clerk again read House Resolution 312.

The question was taken; and on a division (demanded by Mr. Snell) there were-ayes 171, noes 37.

So the resolution was agreed to.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for an extension of time of debate. A great many Members have asked me for time to speak on the bill. The 2 hours on each side will provide only sufficient time for the committee and scarcely that. If agreeable to the House, I ask unanimous consent that the time may be extended to 6 hours.

The SPEAKER. The gentlewoman from New Jersey [Mrs. NORTON] asks unanimous consent that the time for general debate on the bill as provided in the rule just adopted be extended from 4 to 6 hours. Is there objection?

Mr. LESINSKI. Mr. Speaker, I object.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that the time for general debate may be extended 1 hour. I make the request for the reason I am sure this House wants to be fair. You do not want to cut this matter off without adequate debate. The majority controlling the time under the rule and the minority controlling the time are in favor of the bill. It seems to me that a few of us who desire to make some remarks on the bill ought to have the opportunity to do so and I trust we may have just a little time. If you pass the bill, you ought to give us time. You will lose more time if you do not give it to us now.

Mr. Speaker, I ask unanimous consent that the time may be extended 1 hour.

The SPEAKER. The gentleman from Tennessee [Mr.] McReynolds] ask unanimous consent that the time for general debate be extended to 5 hours. Is there objection?

Mr. MARTIN of Colorado. Mr. Speaker, reserving the right to object, I cannot see where 1 hour will accomplish very much. There are some of us in this House who have obligations. I have had obligations on me for 6 months,

Mr. SNELL. Mr. Speaker, I demand the regular order. The SPEAKER. The regular order has been demanded. Is there objection to the request of the gentleman from Tennessee [Mr. McReynolds]?

Mr. MARTIN of Colorado. Mr. Speaker, I object. If we cannot get 1 hour, we will not have any.

Mr. KNUTSON. Mr. Speaker, I move that the time be extended 21/2 hours.

Mr. MARTIN of Colorado. Mr. Speaker, I withdraw my objection

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that time for debate be extended 2 hours.

The SPEAKER. The gentleman from Tennessee [Mr. McReynolds | may modify his request if he desires to do so. The Chair would suggest in submitting his request he include some provision with reference to the control of the additional 2 hours.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that the time for general debate be extended 2 hours and that proper arrangement be made for those of us who are opposed to his bill, to have that time at our disposal.

Mr. LESINSKI. Mr. Speaker, I yield to the request of the gentlewoman from New Jersey and withdraw my objection

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. McReynolds]?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, may I ask the gentleman from Tennessee if it is not the usual procedure that those who are opposed to a bill have to get their time from the minority side, as we have had to do on occasions?

Mr. McREYNOLDS. In answer to the gentleman, may I say that the minority are for the bill. We want a little chance to speak. We hope the gentleman will not object.

Mr. O'MALLEY. I may refresh the gentleman's memory by stating that at times we were opposed to bills from the gentleman's committee and we have had to get time from the other side. I shall not object if the time is in charge of the committee.

The regular order was demanded.

Mr. O'MALLEY. Mr. Speaker, I object. The SPEAKER. The gentleman from Wisconsin [Mr. O'MALLEY] objects.

Mr. O'MALLEY. Mr. Speaker, I withdraw the objection. Mrs. NORTON. Mr. Speaker, I renew my request to extend the time for 2 hours, and I promise the Members of the

House to be perfectly fair in the distribution of the time. Mr. ANDREWS. Mr. Speaker, I object.

Mr. McREYNOLDS. I trust the gentleman will withdraw his objection.

Mr. ANDREWS. I object, Mr. Speaker. Mrs. NORTON. Will the gentleman from New York please withdraw his objection? I believe this bill is very important to every Member of the House.

Mr. ANDREWS. Mr. Speaker, I withdraw my objection. The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2475) to provide for the establishment of fair labor standards in employments in and affecting interstate commerce, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2475, with Mr. McCormack in the

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mrs. NORTON. Mr. Chairman, we believe every rightthinking person is in agreement with the necessity for legislation governing labor in interstate commerce. I would not believe otherwise. The advantage taken today by employers in certain parts of the country where substandard labor conditions exist is apparent. Unfortunately it is more true now than ever before because of changing conditions. That honest employers of labor should be protected is also apparent. That he must be protected if he is to endure is regrettably too true. The difficulty lies in how we are going to help this condition and also assist the employees in securing a living wage. It becomes obvious that we are faced with two problems therefore. To solve them both is our job. Various methods have been suggested. Your committee has tried to meet the situation, has tried to take into consideration every factor. It has been a difficult task. There are many schools of thought, some of which are governed by personal and political reasoning. These we must discard if we honestly believe that every person in our country is entitled to a fair opportunity to make a living. The suggestion has often been made that this bill strikes at the South. Nothing is further from the truth. It strikes at no particular section of the country. We have found in going over the records in the Labor Department that prior to 1933 in one industry alone, the shirt industry, nine States-New York, Delaware, Maryland, Pennsylvania, Massachusetts, Connecticut, New Jersey, Missouri, and Indiana-a large number of the workers were receiving less than 19 cents an hour. I could give you many other illustrations but time will not permit.

The reasons for establishing fair labor standards are well known to all of us. First, the legislation is based on the promise made to the workers of the country at the Democratic convention in Philadelphia in 1936. This promise is included in our party platform, with which all Democrats are familiar. It is intended to protect employees who are not protected by collective-bargaining agreements. The bill, if enacted, will in no way interfere with the program of collective bargaining. This, because of many misrepresentations I have heard, I cannot stress enough. Like State minimum wage laws, it aims to establish only the basic wage and hour levels. It does not attempt to standardize the pay of workers with special skills and long experience. Such workers are equipped to establish their own terms of employment. This bill does not apply to them. To make doubly certain that collective-bargaining agreements are protected, we have written into the bill at the suggestion of the American Federation of Labor several amendments dealing with this subject which, I feel, protect the worker adequately.

We have also protected the employer, realizing that our problem is not solely that of labor but necessarily that of industry as well. Therefore we have tried to safeguard the employer in one State in which State labor laws operate and who insures to his workers a living wage and reasonable hours, against the employer in another State who takes advantage of the fair employer because he is not bound by any State law nor by a worker's agreement as to the amount of wages to be paid. He has, because of the very absence of legislation such as this I bring before you, been allowed to compete in the same American market with the employer who employs no child labor and who lives up to the prescribed labor laws of his State. Obviously this is unfair to the honest employer.

Then we come to the man who may be either of the above-mentioned groups but who assumes new duties and obligations in the role of consumer. He is protected in this bill because whether or not he is aware of it, he is helping to support, through taxation and through charity, the workers whose wages will not meet bare living costs and whose health is depleted through long hours of work and undernourishment, causing them to become a liability on their

communities. This bill will eventually decrease unemployment if the employers of the country will face the issue in a practical manner and cooperate by spreading their work over a greater number. And obviously the bill will reduce relief costs because communities will not be called upon to feed and clothe people who, because of starvation wages, cannot make ends meet.

These are some of the reasons why it is necessary to establish fair-labor standards in industry in interstate commerce.

With regard to the legality of this bill I would refer you to the statement of Mr. Robert Jackson, Assistant Attorney General, in the hearings held before the joint committee. You will find this testimony on page 1, part 1, of the printed hearings. I could add nothing to that and would recommend that you read it.

You are all familiar with the purposes of the bill in their broad aspect. I shall, therefore, enumerate them without going too deeply into the details at this time. They are, to prohibit the shipment in interstate commerce of goods in the production of which employees worked under substandard labor conditions. Substandard labor conditions are defined in the bill. They are conditions under which first an employee would work for less than the minimum wage set forth by an order, or second, conditions under which an employee would work longer than the number of hours set forth in the order. And last, by no means least, goods produced at the cost of the ruined lives of American children are definitely banned from the channels of interstate commerce. There are, of course, many exemptions in the bill to prevent unnecessary dislocation of business. These exemptions are set forth and are principally concerned with the production of perishable goods and the employment of handicapped persons, learners, and apprentices. The reasons for their exemption are obvious. Collective-bargaining agreements, as I have already stated, are protected.

As you know, S. 2475 placed the administration in the hands of a five-man board. This met with great objection not only from many Members of Congress but also from labor, industry, and the general public. The objection usually was based on the fact that we had too many boards now operating outside of departments already established for the purpose of carrying on the functions of government, and the granting of too much power to men outside direct governmental supervision. Many Members of Congress assured me that they would sign the petition discharging the Rules Committee if the administration was placed in the Department of Labor. Others objected to placing the power in the hands of the Secretary of Labor. To meet both these suggestions your committee agreed to amend the bill and provided for an administrator to be named by the President and confirmed by the Senate. In order to protect employers, employees, and the public we have followed the lines of minimum-wage administrations in several States and now functioning very satisfactorily right here in the District of Columbia. In simple language this is the set-up of the amendment about which there seems to exist so much confusion.

Your committee proposes to place the administration of the act in a single administrator appointed by the President. A Division of Wages and Hours, of which he will be the head, will be created within the Department of Labor so that full advantage may be taken of the fact-finding facilities and information gathered through the years by that Department.

It is not the intention of this amendment, or of the bill, to start fixing wages in all industries but only in those in which oppressive wages are being paid to a substantial portion of workers and then only after a wage and hour committee representing employers, employees and the consumer has been appointed by the administrator and gone into existing conditions thoroughly. They then submit their recommendation to the administrator, who, if he is convinced that the committee has taken into consideration all factors set forth in the bill, and if he agrees that it conforms to public policy, then orders a hearing held. At this hearing

any person included in the industry under scrutiny may present testimony. The record of this hearing is then presented to the administrator and he reviews it in the light of the recommendation of the committee. If he finds that no new testimony has been presented that materially alters the situation he issues an order for that industry. If, however, he finds that the hearing has brought to light any new evidence on conditions in the industry not taken into consideration previously by the committee, he may send it back to the committee for further consideration. The minimumwage or maximum-hour standards are not fixed until after there has been an investigation and a determination that conditions warrant such action. This is nothing new. It is a procedure that has been thoroughly tested and found practical and fair. It is the procedure now followed in 22 States that have minimum-wage laws.

The part of the bill that appeals to me perhaps more than any other is that dealing with child labor. Let no Member of this House believe that there is no longer a need for legal standards to protect young children from harmful employment. Under the N. R. A. there was an elimination of child labor but since that time the reports of the Children's Bureau reveal that the number of children under 16 years of age going to work during the last 6 months of 1936 increased almost 50 percent over the last six months of 1935 in those States where the minimum-age standards had not been raised in 1936. Presumably it is true that that percentage is now much higher. Time will not permit me to go deeply into this very human problem. It will be dealt with in more detail as the bill proceeds by able men who have made a study of this question. All I wish to emphasize now is that the child-labor provisions of this bill will establish reasonable standards for the protection of the Nation's children and provide for administrative controls which will strengthen State programs. If we really mean what we say when we claim we want the best for our children we now have the opportunity to prove it by enacting this bill into law.

Surrounding this legislation are many forces. Not in all my years in Congress has there ever been a bill subjected to so many false charges and statements as has this bill. Propaganda has reached its perfection. Paid lobbyists are all over the corridors of the Capitol. One group tries to intimidate Members by insisting that factories in their district will close if the bill becomes law. Another group suggests that labor is against it, when as a matter of fact much of the bill has been recommended by labor. Another group will tell you it is a renewal of the N. R. A., as though that were some bugaboo held up to scare children. However, because I have heard it so often and because some Members consider it the most serious indictment, I believe it is worthy of explanation. I have therefore made a short analysis of the features of N. R. A. and compared them with the bill before you.

My findings reveal that it differs from the N. R. A. in policy, administration, operation, and effect. As you will recall, the N. R. A. was intended to put people back to work through the medium of minimum wages and maximum hours for all classes of employees, all types of industries, and without limit as to the minimum or the maximum. The bill under consideration now applies only to employees working in industries having widespread oppressive and substandard labor conditions. The N. R. A. dealt with trade practices among employers. This bill does not. The N. R. A. fixed prices. This bill does not. The N. R. A. controlled production and suspended the antitrust laws. No such plan is found here. Under the Blue Eagle, industry was permitted to "write its own ticket," fix what it thought should be the minimum wage and the maximum hours, sponsor its own codes, and declare what it though unfair. had no participation therein. Under the present labor bill no action can be taken unless instituted by the Government. Such action must be based upon investigations and evidence that oppressive labor conditions exist. No attempt is made to blanket American industry. Labor has equal representation with employers on the fact-finding committees provided for the determination of wages and hours.

The public, consumer, and governmental interests had no voice in the drafting of N. R. A. codes. This bill gives consumer and public interests a vote and substantial representation and provides that the Government shall conduct the deliberations leading to the fixing of wages and hours.

The administration of N. R. A. codes was vested in committees composed of employers who had no governmental connection. Labor and the Government had no voice. The wage and hour bill provides for administration of the law by an administrator subject to appointment by the President, approval of the Senate, and further subject to legislative declarations fixed by Congress. Industrial associations and chambers of commerce exercised great power without any governmental approval under the N. R. A. Such organizations under this bill have no vote unless the Government recognizes their interest in the industry and approves it by appointment of a representative to a factfinding committee. Members of industry were obliged, through the vehicle of codes, to contribute financial support to the activities of these industrial committees. This bill puts no such assessment on employers. The N. R. A. set up means of boycott in the form of Blue Eagle posters and labels. No such practice is permitted under this bill. The N. R. A. permitted employers to conduct their own starchamber proceedings under the guise of liquidated damage agreements having the force and effect of law. No such monopolistic practices can be had under this bill.

The N. R. A., under section 7 (A) of its act gave lip service to collective bargaining and the rights of employees thereunder. This bill recognizes the rights of labor unions, the principles of collective bargaining, the presumptive value of prevailing wage rates, and the indicative force of collective agreements.

The conduct of hearings and operations of the administration under the N. R. A. often found principles of due process subject to administrative whimsy. You will find in the wage and hour bill specific congressional declarations as to the method of conducting hearings and requirements so that interested parties may have notice. The little man, the big man, the employers, and employees from all parts of the country can know about and have an opportunity to participate in the determinations of minimum wages and maximum hours.

The N. R. A. was enacted during the very bottom of the depression. Its principles were advertised, publicized, and ballyhooed throughout the country. Speedy and hasty action resulted. Industries far removed from the channels of interstate commerce submitted codes as a patriotic display. The enactment of the present wage and hour bill is founded on the principles of decent living conditions. The needs and necessities of undue haste are not present. The bill as reported requires mandatory investigation and caution. No inducement or ballyhoo is indicated. The bill is a step, a cautious step, toward the removal of oppressive wage and hour conditions.

The law creating the N. R. A. contained general statements of its broad purpose. The power conferred upon the Administrator and the resultant industrial committees resulted in the Supreme Court's pronouncement that there had been unlawful delegation of power. This bill has been drafted in the light of those experiences, those mistakes, and, in the opinion of the committee, within the principles of the Supreme Court's ruling. Standards, definite, embracing, and in recognition of the interests of employers and employees, based upon considerations of geographical, industrial, and public considerations, are specifically set forth in the bill, and it should be noted that the powers conferred upon the Administrator are limited to these standards with the additional requirement that no labor standard order should unduly disrupt the ordinary conduct of American business.

This bill does not attempt to put the clamp of Federal regulation on local business. Such activities remain within the protection of the laws of the several States. The bill, however, invokes the power of Congress on constitutional grounds to prohibit the transportation of goods in interstate commerce which have been produced under substandard labor

conditions. An exercise of this power is well exemplified by the Federal statute, held constitutional by the Supreme Court, prohibiting the movement of prison-made goods across State lines. Another constitutional power invoked by the bill is the one to regulate competition in interstate commerce. The exercise of this power by Congress has long been recognized, dating back to 1890 when antitrust laws were enacted, and if Congress can regulate competition whereby unfair advantages are obtained through price manipulation and other practices, it would seem to follow that wages and hours of work, which are an important component of price structure, render a competitive advantage which, if unfair, warrants the invocation of this congressional power. In addition, the bill invokes the power of Congress as declared constitutional in the Supreme Court's decision in the Shreveport case, to protect an interstate shipper against the unfair competition of an intrastate competitor. This doctrine of constitutional law has never affected the local businessman, has applied only in those cases where the activities of local business seriously and directly affect the interstate shipper. The application of this law as set forth would affect only those agencies of business which are now subject to Federal regulation, and it should be noted that the bill specifically requires a finding by the Administrator that actual Federal jurisdiction exists.

Finally, and in conclusion, I would say that we are confronted in our consideration of this problem with two distinct schools of thought.

There are people who do not want any kind of a bill, and those who really believe, as I do, that something must be done to help the 12,000,000 workers of America who live in conditions under which you would not permit your pet dog to live. Differences of opinion are natural. Honest differences of opinion I respect, but differences based only on selfish considerations are unworthy of us and the high office to which we have been elected. Some Members have told me that the passage of this bill will mean their defeat. I cannot believe that. I have too much faith in God to believe that your vote to help suffering humanity will cause your defeat. If such a thing could happen, then, indeed, we are on the way to communism and even worse. A country that will not heed the cry of the masses of underprivileged will perish in the fire it has helped to kindle. And so I say to you, my fellow Members of Congress, consider well the purposes of this bill and do not permit yourselves to be swayed by fears and misrepresentations. I would that I had the ability of the beloved former leader of this Labor Committee, whose untimely death deprived us in the House of a real friend and the poor workers of the Nation of the greatest ally the underprivileged has ever had. I appeal to you to vote for this bill. It may not contain everything you desire but it is a step in the right direction. It is establishing the principle of an equal opportunity to all men to make a decent living. It does destroy sweatshop labor in interstate commerce. It does destroy the power of the chiseler over the honest employer. It does give the children of the Nation, upon whom our country shall depend tomorrow, an opportunity to develop properly. And, more important than all other considerations, it shall give to the 12,000,000 underprivileged inarticulate people of this country hope and courage. Those men and women have suffered almost beyond endurance. There is, thank God, not given to us the power to imagine the tragic submission with which these human beings would be forced to endure longer, conditions under which they have barely existed. How can we shut the door on the first glimmer of light they have ever seen? How can we condemn the children of America to a youth made old by starvation and misery? I beg you to deal with this bill with the help and understanding that comes from God alone and as you would have Him deal with you.

If you do this, I have no doubt the bill will be passed. At least it will be a step in the right direction. The time may come when we shall come before the House seeking to amend the bill. We may find we have made mistakes, and we shall then be pleased to acknowledge our mistakes and seek to amend the bill; but let us get together and decide on passing

this bill in order to give relief to the millions of underprivileged people in this country whose only hope is in us. [Applause.]

Mr. WELCH. Mr. Chairman, one of the primary purposes of this extra session of Congress was to pass what is known as a wage and hour bill to help underpaid men and women in this country.

I am absolutely in accord with this purpose. There are thousands of men and women who are working in industries for starvation wages. I refer particularly to the textile industry

Shortly before the enactment of the Walsh-Healey Act a Connecticut firm was awarded a contract by the Navy Department to make a large number of caps. The women employed in this factory received \$4 per week. Last spring, so I have been told, there was a strike in a pants factory here in Washington, the factory being located in this section of the city. The women employed in this industry were receiving \$5 per week and were working 9 and 10 hours per day. These are only a few of many cases brought to the attention of the Labor Committee during the long and exhaustive hearings before the joint committee of the Senate and House on the wage and hour bill and on the House textile bill.

Mr. Chairman, I have been a member of the Labor Committee since I have been in Congress, or since the sixtyninth session. During all these years covering three different administrations, the wishes of the representatives of labor have been considered with reference to labor legislation. It has recently developed that the American Federation of Labor is unalterably opposed to this bill under consideration in its present form, and I have been told the C. I. O. is opposed to the administrative provisions of this bill. As a minority member of the Labor Committee, I took a minor part in its preparation and for which I do not shirk responsibility. The committee, through its chairman, will offer an amendment to the bill, changing the enforcement of this bill from a board to an administrator under the Department of Labor. The American Federation of Labor considers this change as jumping from the "frying pan into the fire" and is opposed to the amendment. The American Federation of Labor has submitted a proposal or a bill as a substitute for the pending bill, such a bill has been introduced by the gentleman from California [Mr. DOCKWEILER]. In my judgment it is a vast improvement of the bill under consideration, and if given an opportunity, under the rules of this House, I shall most certainly vote

Legislation relative to hours and wages of the underpaid thousands in this country should not be regarded as a partisan or sectional matter. It is absolutely humanitarian. [Applause.]

Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. Hartley].

Mr. HARTLEY. Mr. Chairman, there have not been many times during my five terms here that I have taken the opportunity, and may I add, had the honor, to address this body. I therefore ask your indulgence today to speak in opposition to the measure under consideration.

I regret I cannot agree with my chairman and distinguished colleague from New Jersey on this measure. I concede to the proponents of this proposal the utmost sincerity of purpose, the highest of idealism, and the best of intentions. They seek to put an end to the sweatshop and to stop the exploitation of labor, as soon as possible; but who is there among us who does not want to see this accomplished? There is not a Member of this body worthy of the honor of being a Member of the Congress who does not want to better the conditions of the underprivileged of our country. Therefore, there is no dispute as to the worthiness of the objectives of this proposal.

There is, however, great difference of opinion as to the results to be obtained by it. The leadership of the American Federation of Labor wisely recognizes that the passage of this bill may easily sound the death knell of the organized labor movement in the United States, for what will be the

incentive to join a union if the Government is going to set wages and hours and other conditions of employment, and who is there who contends that labor's interests will be in better hands in the hands of the bureaucrats and politicians—

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?
Mr. HARTLEY. When I complete this sentence, if you please.

Who is there that contends that labor's interests will be better safeguarded in the hands of the bureaucrats and politicians than in the hands of its recognized leaders operating under the principles of collective bargaining?

I now yield to the gentleman from Connecticut.

Mr. PHILLIPS. Does the gentleman maintain that there is no more to be accomplished by labor than to get people \$16 a week?

Mr. HARTLEY. Labor will get better wages than \$16 a week and far sooner under collective bargaining than they will under this bill, and make no mistake about that. [Applause.]

Mr. CURLEY. Mr. Chairman, will the gentleman yield? Mr. HARTLEY. I yield to my colleague on the committee.

Mr. CURLEY. But there is nothing in the proposed bill that has anything whatever to do with collective bargaining. This bill has nothing whatever to do with that. It has to do with the type of labor below the grade of labor that organized labor can control.

Mr. HARTLEY. That is quite true; but I still contend the minute you give the Federal Government the authority to set wages and hours and establish conditions of employment you destroy the labor movement; and do not forget—as a matter of fact, the gentleman, being a member of the committee, knows—that those who sponsored this bill in the very beginning wanted to raise the authority to 70 cents an hour and to reduce the hours to 35 hours a week, and if this bill is passed that is certainly going to be the objective in a year or two.

Mr. GRISWOLD. Mr. Chairman, will the gentleman yield? Mr. HARTLEY. I yield to my colleague.

Mr. GRISWOLD. I may suggest for the benefit of the gentleman from Connecticut [Mr. Phillips] that under this bill labor certainly is not guaranteed \$16 a week. Under this bill labor is prohibited by order of the board from getting more than \$16 a week but may receive much less.

Mr. HARTLEY. The gentleman is absolutely correct.
Mr. CITRON. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. I yield.

Mr. CITRON. Do I understand the assertion of the gentleman from Indiana [Mr. Griswold] is that under this bill labor is prohibited from getting more than \$16 per week?

Mr. GRISWOLD. By order of the board or the adminis-

Mr. CITRON. I do not think the gentleman's statement is correct. Nothing in the bill provides this. The mere fact that the jurisdiction of the board is limited to the underprivileged does not mean that manufacturers cannot pay more than 40 cents per hour.

Mr. HARTLEY. I cannot yield further, Mr. Chairman.

Mr. Green, the president of the A. F. of L., recognizing the many complications in this legislation—and all you have to do is to look at the bill to see those complications—and in the light of changes that took place, changes, as he said, "in the economic life of labor and the Nation" between the time this bill was first introduced and finally reported out of committee, urged that the bill might be recommitted to the Labor Committee, where hearings might be held and the subject properly explored—something that has not been done up to the moment.

Let us take a good look at this legislative orphan. The chairman of the committee admits that no one knows who are its parents. Look through its pages. Imagine a bill of this size, 63 pages, 24 sections, innumerable subsections, vitally affecting the economic life of the country being jammed through Congress without public hearings. There have been no public hearings on this particular bill.

Mr. CRAWFORD. Mr. Chairman, will the gentleman | vield?

Mr. HARTLEY. Yes.

Mr. CRAWFORD. Are the remarks the gentleman is addressing to us directed at this bill as it is now presented, or at the other bill? Some of us are not straight on that, and I certainly am not straight on that.

Mr. HARTLEY. Frankly. I do not understand whether we are considering this particular bill here or a bill to provide for a board of five. All I know is that either bill is iniquitous.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. Yes.

Mr. DUNN. Is it not a fact that the Labor Committee adopted amendments which Mr. Green offered, and is it not a fact also that those amendments are in the present bill?

Mr. HARTLEY. Those amendments are in the bill which I believe we have now before the committee, and it will be amended so as to put the administration in the Department of Labor; yes.

Mr. DUNN. That is the point I want to make. It has been said the American Federation of Labor is opposed to this legislation. Nevertheless, as the gentleman will remember, we held a joint meeting, and both Mr. Lewis and Mr. Green maintained—I asked the question and a lot of others did, too-that they were in favor of this legislation. When the bill came back to the House, it was not the same; so, therefore, we members of the Labor Committee took Mr. Green's amendments and unanimously voted them into this present bill. Is not that right?

Mr. HARTLEY. Yes; that is right.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman vield?

Mr. HARTLEY. Mr. Chairman, I yield.

Mr. DOCKWEILER. Has the gentleman had an oppor-tunity to read my bill, introduced a few days ago, a bill following the American Federation of Labor's endorsed plan? Is the gentleman prepared to state his views as to that bill?

Mr. HARTLEY. I should be glad to answer the gentleman. I shall vote for that bill in preference to this. fact. I would vote for almost anything in preference to this.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. WELCH. Mr. Chairman, I yield 5 minutes more to the gentleman from New Jersey.

Mr. HARTLEY. As I was about to say before those other speeches were started, let us take a look at this legislative orphan. Do you recognize it? I call it an orphan advisedly, for although we have tried, we have not been able to learn who are its parents. These sponsors, unknown, evidently visited the taxidermist, and there took from the dust-covered shelf the old Blue Eagle, plucked its price-fixing feather, and handed to labor this old bird stuffed with sawdust for labor's Christmas dinner.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. Yes.

Mr. WOOD. The gentleman is a member of the Committee on Labor. Did he not vote for most of the amendments now in the bill?

Mr. HARTLEY. I voted for some of the amendments to the bill, but the substantial amendments that I am criticizing I did not vote for.

Mr. WOOD. The gentleman is as much responsible as any other member of the Labor Committee for this bill being in existence.

Mr. HARTLEY. Oh, do not charge me with being the father of this child.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. HARTLEY. Yes. Mr. O'MALLEY. I wonder if the gentleman could suggest to us just what type of wage and hour bill he would be in favor of.

Mr. HARTLEY. I would be very glad to discuss that. As a matter of fact, I do not believe any of us have thoroughly enough studied this question to bring before Congress a real workable bill. We all have tried suggestions. I have introduced a wage and hour bill, and a goodly percentage of the Members of Congress have introduced similar bills, but I don't believe the question of governmental regulation of wages and hours has been thoroughly explored.

Mr. O'MALLEY. How long does the gentleman think we should explore it, after many of the States have such laws

now?

Mr. HARTLEY. I think it should be explored properly. Mr. O'MALLEY. How long?

Mr. HARTLEY. Just as long as it will take to do it properly.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Are we ever to learn from experience? Old N. R. A proved that when we establish a minimum wage, that minimum becomes the maximum in the great majority of cases. The present so-called business recession has already seriously weakened our wage structure. Are we now going to provide legislative excuse for further reduction?

Mr. HARTLEY. I am sorry. It is not because I do not

want to, it is because I do not have the time.

It is interesting to note that farm labor is excluded from the alleged benefits of this humanitarian measure. If it is good for the industrial worker, why is it not good for the farm worker? Those low-paid, long-houred tillers of the soil who constitute a large part of our population who are ill-fed, ill-clothed, and ill-housed are denied the so-called benefits, while it raises the cost of everything they have got to buy. Is that the kind of a Christmas present you representatives of the farm districts want to take home to your constituents?

If I wanted to help promote monopoly, I would vote for this bill. It will do more in that direction and to centralize industry, build up industrial dynasties than if we were to repeal the Sherman and Clayton Acts.

This bill does not affect the great, big, highly mechanized industries. Most of them are already operating under conditions that are within the provisions of the act. That is why you have not heard so many protests from big business. The ones you hurt by this bill are the little fellows-those who are still largely relying upon hand labor.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. WELCH. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HARTLEY. The small businesses that are the lifeblood of many hamlets and villages, not alone in the South but throughout the United States, are the industries that are going to be hurt by this bill. You give them a choice of doing one of two things-either they substitute laborsaving machinery for other hand labor or they go out of business. After what you have done to them with your tax on undistributed earnings, you leave no other course for them except to go out of business, but, regardless of the result. labor is going to suffer. It is an unenviable position that the supporters of this bill find themselves in-those friends of labor supporting a bill to promote monopoly and the use of labor-saving machinery. Innocently you are perpetrating a cruel hoax upon thousands of workers in department stores and 5- and 10-cent stores and other purely intrastate businesses who expect a pay raise through this bill, but who are, of course, outside its reach. Even those in interstate commerce and included in the bill's provisions are being deceived. The real wages cannot be raised by Government flat.

If we want to help labor, there is a way to do it-and that is to give encouragement to those who fill the pay envelopes of the workers of this country every week; and, while you are at it, it would not do any harm if you passed on a little of that encouragement to those taxpayers and investors in Government bonds who have kept us going through the depression.

If the time we have spent here in status quo had been used to repeal the nefarious tax on undistributed earnings and to give assurrance to business that Congress and the Government would tend to its own knitting, our labor problems would be far nearer solution.

In the interest of labor and the economic welfare of all of our people, I say this bill should be defeated. [Applause.]

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. Hartley] has expired.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Because of the limited amount of time which I have at my disposal, I would rather not yield.

Mr. Chairman, too long in this Nation there has existed for a large proportion of our industrial population the crucifixion of this type of laborer upon the cross of long hours, short pay, and sweatshop working conditions.

In compliance with the pledge made to the working people of the United States in the Democratic platform of 1936, the administration is now concerning itself with the enacting into law of the Black-Connery Fair Labor Standards Act, which will be another great step forward for the cause of labor.

The workers' right to collective bargaining and self-organization without interference is already a part of the law of this country, and, as a further program of social and industrial legislation, Congress is now engaged in establishing for that class of workers who stand in need of them decent working conditions with respect to hours and wages. To this end the Black-Connery Fair Labor Standards Act is before us with the sole purpose and aim of raising existing wages in the lower wage groups so as to attain as rapidly as possible and practicable a minimum wage of 40 cents an hour and a maximum workweek of not more than 40 hours.

Briefly, this forward step in the advancement of the cause of labor is an honest and sincere attempt to control unfair labor practices through congressional power which is within the commerce clause of the Constitution. The recent trend of judicial decisions establishing the power of Congress to legislate on our most basic national problems opens the way for achieving success in legislative attempts to abolish child labor, oppressive wages, and overlong hours of labor.

The Fair Labor Standards Act, which has been expressly framed in answer to President Roosevelt's declaration that the time has come "to extend the frontiers of social progress", consists of three main provisions:

First. Creation of a fair labor standards board or administrator charged with the application of the provisions of the bill to the industries which come within its scope.

Second. Granting of power to fix wage and hour standards within the limits set by the Congress with the general aim of minimum wages of not less than 40 cents an hour and a maximum workweek of not more than 40 hours.

Third. Prohibition of oppressive child labor. By specific provision, employees in agriculture and other stated industries are exempt from the standards of the bill and due discretion is allowed to make exemptions which circumstances peculiar to certain industries and certain types of employees will require.

The objective of the Black-Connery measure is to insure to the lowest and poorest paid wage earner in this Nation his right to the enjoyment of a fair standard of living. The bill is not, contrary to the belief of some, an attempt at Federal regimentation of industry. It is not concerned with that fortunate majority of the laboring classes whose collective bargaining power is sufficiently potent to insure the preservation of their industrial rights.

But it is concerned with those millions in industry who are unprotected and unorganized. For that class of workers the machinery of the Federal Government will be put into motion to study their plight, consider their circumstances, and then seek to provide for them fair and reasonable standards by which they will be enabled to assume their proper place in life. It will provide for the elimination of the substandard factors of wages and hours which in many instances threaten to ruin the possibility of ever attaining the industrial economic level necessary to maintain a decent American standard of living. It will result in a more even distribution of that prosperity which accompanies an indus-

trial peace and democracy wherein each worker shall be assured of his fundamental right to receive a fair recompense for a fair week's work.

The wage and hour legislation which this bill proposes to effect, aside from its social and humanitarian aspects, is vital to the economic stability of our Nation. It is important to both employer and employee. To the employee its economic effects will be felt in an increased purchasing power, in the absorption of unemployed into private industry, and in standard working conditions more in accord with the American ideal. To the employer it will mean an end of the injustices arising out of widely diverse labor practices, a termination of destructive competitive practices and an end to the abuse of the channels of interstate commerce for selfish advantages on the part of substandard manufacturers and producers. The Black-Connery Act is aimed and directed at the abolition of these defects within the economic structure of the Nation and thereby provide a bulwark for the maintenance of real and enduring economic stability.

The sponsors of this legislation are under no illusions in their honest effort to provide economic security for the working people of this Nation. Untiring energy has been utilized in order that the problem would be met in the best and most effective way open to those of us who worked to perfect it. It is significant that, with all the criticism and abuse directed at the measure, no other adequate or satisfactory solution of the problem was proposed or suggested. That is why the Fair Labor Standards Act, in my sincere opinion, merits the support and encouragement of every thinking American who has the interest and welfare of the laboring classes of America at heart, because it is a step in the right direction. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 1 additional minute to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Chairman, those of us who believe in this legislation do not want to cripple industry; we want to heal the wounds of the industrial body as they see it today. Those of us who believe in this bill do not want to kill business; we desire to give it a more sustained life. We who believe in this measure do not want to tear down the structure of our industrial life; we want to rebuild it on a firmer foundation. Certainly, an honest attempt is being made here to bring about a change from huts and hovels to happy homes in this country, to bring about a change from dreadful drudgery to hours of happy toil, to bring added security and happiness for an estimated 12,000,000 working Americans who today exist on the ragged edges of life. [Applause.]

[Here the gavel fell.]

Mr. PHILLIPS. Mr. Chairman, I wonder if the gentleman could not have 60 seconds in which to answer a technical question on the bill.

The CHAIRMAN. The Chair will state that the time is under the control of the gentlewoman from New Jersey and the gentleman from California.

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. Fish].

Mr. FISH. Mr. Chairman, I think it is unfortunate that this type of legislation has to be brought up for consideration in the midst of a serious Government-made depression. The principle involved, however, remains the same.

I voted to discharge the committee today in order that the House might have a fair opportunity to consider this legislation. I am not in favor of the pending bill, which creates a board of five to control hours and wages throughout the Nation

Mr. SIROVICH. One.

Mr. FISH. I think the gentleman is mistaken. The Committee on Labor expects to propose an amendment substituting the Department of Labor as a board of one. I am whole-heartedly in favor of the American Federation of Labor bill as submitted by Mr. William Green, the president of that organization, which by legislation, and legislation alone, sets up minimum wage standards and maximum hours for labor. I believe the time has come to stop creating more bureaucracies, to cease creating more boards and administrative

agencies, and, above all, not to give more power to the President and concentrate power in the Executive over labor and business. I believe the time has definitely come to take away some of the powers that Congress has already conferred on the President and restore representative and constitutional government. Feeling very strongly along these lines, I am absolutely opposed to legislation that creates more boards or commissions or puts the control of wages and hours under some Cabinet officer to administer. If we propose to legislate for the benefit of our wage earners, let us legislate. That is our duty; that is what we are here to do; and we ought to be able to write sound and constructive legislation. If the Green amendment suggested by the President of the American Federation of Labor is not sound, if it is not right, if it is not helpful, then let us change it and write a bill that will provide a square deal for our underpaid wage earners. I want to prevent the exploitation of American labor, and especially that of women and children, by sweatshop wages and hours in our factories, shops, and mines. I want to join with those Members of the House, Republicans and Democrats alike, who believe in social and industrial justice, who believe with Lincoln that labor is prior to capital and that human rights are superior to property rights, who want to prevent the exploitation of American labor by low wage scales, by sweated labor, and by long hours. If any country is worth living in it is our own. But how can it be worth living in if more than one-third of our wage earners live on wages that are inadequate and do not provide sufficient pay to properly feed their families, to house them, to clothe them, and to give them a fair chance in

This wages-and-hours bill should have been considered by Congress years ago and been enacted into law long ago. Why should one-third of our American citizens be undernourished, be underfed, be underclothed, and ill-housed in the greatest and the richest country in the world? Why should one-third of our wage earners be crucified upon a cross of economic slavery and bondage and be exploited by human chiselers, vultures, and bloodsuckers for profit at the expense of their health, happiness, and lives?

Mr. Chairman, it is difficult to talk on this bill in a limited time, for one has to cover numerous phases and ramifications of this wage and hour issue. I am fearful, however, that there is one phase that has not been raised and that may not be raised. How can you enact this kind of legislation, having for its definite and proper purpose the raising the standard of wages for millions of Americans who are getting inadequate wages today without bringing them into direct competition with the cheap labor of Europe or with the sweated goods of Europe which will flow into our markets? There is a corollary that must go with this type of legislation that is unescapable and unavoidable.

I propose to vote for the Green amendment. I believe in it thoroughly, but when I vote for it I want to vote for it with my eyes open. I know that immediately that kind of legislation is adopted it means that Europe and Asia will dump into this country millions and millions of dollars worth of goods produced by their pauperized labor to replace the goods produced by labor in this country whose wages we are about to raise artificially by an act of Congress. There is only one answer to it, I say to you Democrats; not one that is very palatable to you with your political philosophy and ideology tainted with free trade and your tendencies for mutual exchange of goods. There is only one answer to it: When you adopt this legislation you will have to write adequate tariff protection for our wage earners to prevent millions and millions of dollars' worth of foreign-made goods flooding this country to replace the commodities produced by our labor paid a nonliving wage which you now propose rightly to adjust.

You can not crucify American labor on a cross made of the sweated labor of Europe and the cheap goods produced in Europe and Asia which will be the result and the immediate result of the wage and hour legislation without adequate tariff protection. That is why I said at the outset that I deplore the fact that in the midst of a serious depression we have to consider this type of legislation because temporarily it will tend to increase unemployment.

It will mean, of course, that many wage earners will lose their jobs and that many of our industries will not be able to compete with foreign industries and their low wage scales until they have adequate tariff protection. Thousands, tens of thousands, and maybe even more, of our wage earners will lose their jobs temporarily; but I believe in the legislation because I believe that if there is any country, as I said before, worth living in it is our own, and that we must have adequate American standards of wages and living if we are to take care of the one-third of our people who are now ill-fed, ill-housed, and ill-clothed. I no not propose to condemn by my vote a large part of our wage earners to perpetual poverty, squalor, undernourishment, and destitution.

Mr. CURLEY. Mr. Chairman, will the gentleman yield? Mr. FISH. I yield.

Mr. CURLEY. The gentleman says he is very much against this bill, but I call the gentleman's attention to page 30 of the bill whereon it is provided that when the Administrator finds that imports are greater than normal he shall have the right to call the attention of the President to this fact in order to change the tariff.

Mr. FISH. Is the gentleman agreeing with me that it will be necessary to change the tariff rates and schedules?

Mr. CURLEY. No. I was talking in the mood in which the gentleman was talking.

There is the possibility.

Mr. FISH. I did not say anything about a possibility. I say that it is an absolute necessity to provide ample protection. You cannot vote for this bill without knowing it must follow immediately afterward.

Mr. CURLEY. You have your relief right in this bill.

Mr. FISH. As I stated, I am not for either the Senate or Committee bill. I am for the Green proposal, establishing by legislation a 40-hour week as a maximum and 40 cents an hour as a minimum living wage. I believe in a living wage of not less than \$16 a week in order to maintain our American standard of wages and make America a place worth living in for all of our people. I believe the best way to combat socialism and communism is to provide a square deal for labor and social and industrial justice for all American wage earners.

I am opposed to the pending bill because I am opposed to further regimentation and control of labor and business and to the creation of more governmental bureaucracy.

Mr. CURLEY. Then the gentleman is speaking in generalities.

Mr. FISH. I am speaking against both the Committee and Senate bills and for the Green bill. I am against all the wage and hour bill that propose setting up governmental control over labor and business. The tariff section, mentioned by the gentleman from New York, is very vague and ambiguous and would not be of much help.

Mr. CURLEY. Will the gentleman be specific?

Mr. FISH. It is true that the Green bill does not include the tariff section. I am perfectly willing, however, to incorporate the tariff section referred to into the Green bill and strengthen it, as it amounts to very little as now written. I am for the Green bill because I am for a government by law and not by executive orders and bureaucratic edicts. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. Griswold].

Mr. GRISWOLD. Mr. Chairman, I am coming before my colleagues as a friend of wage and hour legislation, as one who was friendly to and fighting for wage and hour legislation in committees and on the floor of this House when some of those who now constitute themselves the self-appointed friends and spokesmen of labor were unheard of and unthought of as such. We have in this House a superlabor committee, not members of the Labor Committee, not present at the hearings on this bill, and who took no part in the deliberations of the committee but who have constantly endeavored to dictate to the committee as the possessors of all

knowledge and all rights in the enactment of wage and hour legislation. I was an advocate of wage and hour legislation under the old Connery bill during the Hoover administration, and I am still advocating the same principle that I advocated then, that principle being that labor legislation passed by Congress should establish a floor for wages and a ceiling for hours. That there should be no differentials between one section of the country and another or between one business and another. That the minimum wage for one should be the minimum wage for all. That if one is to be charged with the commission of a crime he has a right to know with certainty what constitutes the crime and not have such a crime designated by a board or an individual under conditions that would permit of making acts that were perfectly legitimate in one locality a crime in another locality.

In conformity with this principle, I introduced in the House H. R. 8580. It is a bill only 3 pages long; in contrast to the pending bill, which is 66 pages long. It eliminates all differentials. It describes with certainty and in specific terms the crime and fixes the penalty. It does not confuse the issues by setting up a costly bureaucracy for enforcement. It leaves the enforcement with the duly constituted authorities of government to enforce it as all other criminal laws are enforced.

The Black-Connery bill states in its preamble that the intent is to raise the wages of the underpaid and specifically states that many receive less than \$5 a week. If that intent is to be carried out, then let us state by law what the wage shall be and force the wage up to that point by legal enactment and not by bureaucratic whim. I am not wedded to either the wages nor the hours as fixed in my bill. I am willing for Congress to amend my bill so as to make the wages and hours more or less to conform to what Congress believes should be the minimum wage and maximum hours. But I do contend that under the pending Black-Connery bill, and the amendments placed in the bill by the chairman, we are deceiving both capital and labor as to what this bill will accomplish. That this bill in reality fixes neither wages nor hours but is so drawn that it will leave the lowpaid workers where they are today and give those industries in those sections that are now paying the lowest wage under the worst conditions an undue competitive advantage over other sections of the country, and that in the final analysis it will give to the low-paid sections a competitive advantage that will cause an exodus of industries from my State of Indiana and from other Northern and Central States to the South where they can obtain the advantages of low wages and long hours given them under the provisions of the Black-Connery bill.

The gentlewoman from New Jersey in her opening statement said she had mothered this child that was dropped on her doorstep—that it was without a father and she wished Congress to father it. I cannot believe that she really mothered it. If the gentlewoman from New Jersey had really mothered this child it would have had a different aspect from that which it has now.

Mrs. NORTON. I said I was the adopted mother.

Mr. GRISWOLD. This child here is a moron, and the gentlewoman has not really mothered one child. She has mothered four.

Mrs. NORTON. Will the gentleman yield?

Mr. GRISWOLD. I yield to the gentlewoman from New Jersev.

Mrs. NORTON. I explained I was the adopted mother, and the child is not a moron. He is a very bright child and is going to be brighter later on.

Mr. GRISWOLD. The gentlewoman will have to turn the klieg lights on it. That is the only way that any light will ever appear on the face of this illegitimate child, fathered in darkness and born in obscurity.

Mr. CULKIN. Will the gentleman yield?

Mr. GRISWOLD. I decline to yield.

Mr. Chairman, there is before us now for consideration a bill that was reported presumably on the 6th day of August by the Labor Committee, which bill went to the Rules Committee. On the basis of that bill you were requested to discharge the committee. Then on the 7th of December you had a new bill called "a confidential committee print." This contained the so-called Norton amendment, changing it from a board to the Department of Labor. This gained more signers for the petition but also put some signers in a bad position. On the 11th day of December you had another bill, called "a committee print." Tomorrow morning when you come onto the floor of the House you will have still another bill to consider. It will be the bill that the chairman will offer as a substitute for all the bills that were born before and became the last of the quadruplet children.

With this House and the Committee in such state of mind that during 4 months' time we have had four bills written by some superlabor committee—and no one knows what constitutes the personnel of that committee—how can you expect to have a workable, proper, consistent, and reasonable bill?

Some exception seems to have been taken to the statement I made a while ago. This is named a wage and hour bill, but it is not a wage and hour bill. As I heard the other night at the Gridiron Club, it is a "no-hours, no-week bill."

Here is what the bill says:

The committee's jurisdiction to recommend labor standards shall not include the power to recommend minimum wages in excess of 40 cents an hour or a maximum workweek of less than 40 hours.

What does that mean? It means that these 12,000,000 people you are told about, which are in the subnormal wage group, cannot be raised beyond 40 cents an hour. It means when you reach the other sections of the bill they cannot even be raised to 40 cents an hour, because on page 22, section (g), you will find that these wages must be fixed under the quantum merit rule. They must be fixed according to the value-of-service rule. That mandatory provision is written right into this bill. These subnormal-wage people are now receiving \$5 and \$6 a week for their services. Under this rule covering reasonable value of services, you cannot raise them. Under section (g) you may have one employer on one street working under one scale of wages and one scale of hours, fixed by the board with a certificate of fair labor practices, and on the same street you may have another plant in the same industry with a different scale of wages and hours. That is what the bill does, and it is mandatory under section (g) that the administrator must fix wages and hours in that manner: and yet you name this a "fair labor practices act."

[Here the gavel fell.]

Mr. GRISWOLD. Will the gentleman on the minority side grant me additional time?

Mr. WELCH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GRISWOLD. I thank the gentleman. That is more than you can get on this side in opposition to the dangerous and unjust provisions of the bill.

The bill provides, and this is mandatory, that the administrator must take into consideration "the differences in unit cost of manufacturing occasioned by varying natural local resources and operating conditions." As I stated, that is mandatory. The administrator must penalize the man who has the best operating conditions in his plant and must fix wages on that basis. Then, not being satisfied with the grant of differentials and inconsistencies in the bill, so that all might be covered, the Norton amendment provides further: "and other factors entering into the cost of production." Mr. Chairman, that is what we are getting in this bill. You are getting a vast mass of inconsistencies, glaring differentials, and destructive competition.

Mr. CURLEY. Will the gentleman yield?

Mr. GRISWOLD. I refuse to yield. You are getting a provision in this bill which will exempt cotton ginning, cotton storage as well as the processing of cottonseed; but you gentlemen from the Corn Belt do not get any provision in this bill which exempts the milling and storage of wheat and grain. You do not get an exemption for the processing of lard, or butter, or cheese; you do not get any exemption on the processing of soybeans, and this last year there were 459,000 acres of soybeans grown in my State for commercial purposes.

Mr. LUCAS. Will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Illinois.

Mr. LUCAS. Was the question of including an exemption which affected the corn section of the country discussed in committee?

Mr. GRISWOLD. It was.

Mr. LUCAS. Why was it you exempted one and did not exempt the other?

Mr. GRISWOLD. Because we had a lack of votes-that is all.

Mr. LUCAS. Is there any particular merit in exempting one and not exempting the other?

Mr. GRISWOLD. I may say to the gentleman there is no particular merit in exempting the article most pronouncedly and viciously competitive with the dairy farmer, the grain farmer, the stock farmer, and the hog farmer. There is no merit in it. I say to the men from the Corn and Hog Belt and from the grain and dairying territories that he who will not protect his own when this bill comes before the House is worse than an infidel.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I yield to the gentleman from Michi-

Mr. CRAWFORD. Is it not also true that if you exempt cotton ginning, compressing, oil-mill operation, and work of that type, you virtually exempt the commercial industries of the South?

Mr. GRISWOLD. You do. Mr. CRAWFORD. You would certainly do that, and their products compete with our corn products.

Mr. GRISWOLD. In such industries there are some of the lowest wages and the longest hours.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman vield?

Mr. GRISWOLD. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. May I call the gentleman's attention to the fact that cotton ginning is a seasonal occupation? They gin cotton only 3 or 4 months a year at the most.

Mr. GRISWOLD. You process cottonseed and you make oleomargarine and all the butter substitutes, and all the cooking compounds which are substituted for lard; and you make them 12 months out of the year and 30 days out of the month.

Mr. ZIMMERMAN. That is not a part of the ginning of cotton; it is an entirely separate and distinct industry.

Mr. GRISWOLD. They are all in the same class. If cotton is seasonal, then certainly corn and wheat are seasonal. Mr. CRAWFORD. Mr. Chairman, will the gentleman

Mr. GRISWOLD. I yield to the gentleman from Michigan. Mr. CRAWFORD. The best proof of what the gentleman has just stated is to refer to the operations of the cotton oil industry since the present crop has been on the market and see what the rendition is and what is ahead of them to be put through the mills in the future months.

Mr. CULKIN. Mr. Chairman, will the gentleman yield? Mr. GRISWOLD. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman spoke of dairying. Does the gentleman know they milk cows at 4:30 or 5 o'clock in the morning and then do not milk them again until the afternoon, so this bill cannot apply in justice to the dairying

group? Mr. DONDERO. Mr. Chairman, will the gentleman yield? Mr. GRISWOLD. I yield to the gentleman from Michigan. Mr. DONDERO. Does the gentleman understand that

domestic services are exempted from this bill?

Mr. GRISWOLD. I do.

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, this is probably the worst time in the world to consider the passage of any national wage and hour legislation and the pending bill, or one based upon the same principles or philosophy, ought never to be seriously considered, to say nothing about enacting it into law. Business is already suffering from as bad a case of the jitters as it is possible for it to stand. The passage of the pending bill will only make confusion worse confounded. Congress should direct its attention toward the passage of legislation to remedy existing conditions instead of doing something to make them worse. Labor, in the Fifth Congressional District of Michigan, at least, is much more concerned at this particular time about getting a job that will enable it to make a decent living, and industry is more concerned about keeping its factories open and running at all, than in quibbling over the question of wages and hours. They both want to be left alone for a while.

The 10,000,000 unemployed in the country, who cannot get jobs under any condition, at any wage, or for any length of time, may well look upon the consideration of such legislation as this at this time as a hollow mockery. It will be time enough to pass a proper wage and hour law after jobs are found by, or industry has an opportunity to create or furnish jobs for, this great mass of unemployed.

There are factories in my district that are having a hard time maintaining a 20-hour-week schedule, or 4 hours a day for 5 days a week. They are not worried about being limited to 40 hours per week. They wish they could find enough business to keep them running as long as that.

No Federal wage and hour legislation should be passed without more consideration and study being given than has been given to the effect it will have, not alone on present conditions but upon business and opportunity for employment in the future as well.

In order to plan for the future, industry must be able to estimate with some reasonable degree of certainty what its costs are going to be and be relieved of the constant fear of persecution with which it is now suffering. It cannot tell what the policies of the Government are going to be from one day to another. It cannot tell how much it will have to pay in taxes next year or the year after or what the value of the money with which it is obliged to carry on its operations will be. It has been harassed already with labor troubles to the point of distraction.

This bill proposes to add to its troubles by giving power to fix wages and to determine the number of hours industry can operate to a bureaucracy here in Washington. It matters not whether that bureaucracy is the Labor Standards Board or an administrator in the Department of Labor under Mme. Perkins. Whoever it is, no industry will be able to tell what its labor costs will be or when the board or administrator will come around and clamp down on it. Under such conditions, it will be compelled more than ever to conduct its business on a day-to-day or hand-to-mouth basis. It is to be hoped that industry will be able to survive this additional burden, if it is compelled to do so, but why should Congress load it down further and subject it to the risks necessarily involved in compelling it to carry this additional load?

The American Federation of Labor, in the statement released by it a few days ago, voiced the sentiment of the country, I believe, when it declared:

We are unalterably opposed to a complex system of Federal wage we are unalterably opposed to a complex system of rederal wage and hour regulations and their administration by a new Federal board, as contemplated by the Black-Connery bill. Labor, industry, and the public are fed up with Federal boards. We have had extremely disappointing and disillusioning experiences with the National Labor Board. Nor do we believe that the creation of a Federal Administrator with district wage boards under him will serve any purpose but to complicate and confuse enforcement of any wage and hour measure.

Again, Mr. Green, the president of the Federation, in a letter addressed to the Members of the House and received only Saturday, in commenting on the amendment to be offered by the chairman of the Committee on Labor to place the administration of the act in the Department of Labor instead of with the Labor Standards Board, says:

It is inconceivable that Congress would vote to confer upon a single Government administrator such broad, definite, and comprehensive power.

And, as the analysis accompanying President Green's letter very properly points out:

All the objections which exist against the administration of the act by a board, and all the dangers inherent therein, exist in aggravated form under the set-up of the administrator.

In the language of our distinguished colleague, whose name it is not necessary to mention here:

Who wants the bill, anyway? Chairman Norron wants it changed so that the Labor Standards Board would go under the Department of Labor. Secretary Perkins said at the White House that she has a lot of changes to suggest. Bill Green isn't satisfied with it. Probably John Lewis has some ideas, I seem to be the only one who's for the bill.

I resent the statement that the wage-hour bill is locked up in the Rules Committee, in view of these circumstances. The President's message, even, wasn't very enthusiastic about

this legislation.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield? Mr. MAPES. I am sorry; I do not have the time. I wish I did have.

Perhaps, in order to make the record complete, one should add to this statement of the distinguished Chairman of the Committee that the rule making it in order to call up this wage and hour legislation was never called up for consideration in the Committee on Rules. No representative of the Committee on Labor ever appeared before the Committee on Rules in its behalf. No hearings of any kind were ever held on it by the committee. No vote was ever taken on it in the Committee on Rules.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Michigan. Mr. MICHENER. The statement the gentleman has just made is so important that if it is true I want to impress it upon the membership of the House, and if it is not true, I believe it should be reconsidered.

Mr. MAPES. It is true. There is no question about the

Whatever the answer to the question of our friend may be, there are several questions which Congress itself should make an honest effort to answer, before rushing headlong into legislation of this importance.

How many employees will the legislation directly affect? By its terms it only applies to those engaged in working on goods shipped in interstate commerce, except certain provisions, which are undoubtedly unconstitutional, and the great mass of employees thus engaged would not be affected at all, except adversely as the legislation increases their cost of living and reduces their pay, as it will undoubtedly have a tendency to do.

The big employers of labor, whose products enter into interstate commerce, such as the steel and automobile corporations, and their employees, would not be materially affected by it for two reasons: First, because for all practical purposes they are now on a 40-hour week basis and pay as much. or more, than 40 cents an hour to the great majority of their employees. Second, because of the provision in the bill inserted by the Committee on Labor which exempts from its provisions all corporations and employees where collectivebargaining agreements have been entered into that cover a "substantial portion of the employees." This amendment of the Committee on Labor would make it impossible for those in the employ of a great many of such corporations to receive any benefits from the legislation, even though they are paid less than 40 cents an hour. I refer to that amendment which provides that the board can make an order affecting such employees only if the board finds, and I quote the language of the amendment.

That collective-bargaining agreements in respect to such minimum wages and maximum hours do not cover a substantial portion of the employees in such corporation.

Employees in retail establishments, including the big department and chain stores, as well as the small independent ones, are expressly exempted from the provisions of the bill, as are all agricultural labor, seamen, railroad employees, and others. Of course, they cannot escape being affected by the increased cost of living which the legislation will bring upon everyone.

To what extent will the enactment of the legislation disrupt our whole industrial and economic system?

How many now employed will it throw out of employment? How much will it delay the time when those now unemployed will get back to work?

What effect will it have in compelling industry to discharge the less efficient, including the old, the young, and the marginal worker now employed, and to discourage it in giving new jobs to any such as business improves?

How much will it add to existing relief rolls?

How much will it increase the cost of living to everyone? What effect will it have on small business and what will be its tendency to increase the already overcentralization of business and of big corporations?

Will it actually help or hurt labor, the underprivileged, and the country?

These are some of the questions that Congress should attempt to answer before acting upon this legislation. No serious attempt to answer them has yet been made.

The codes under the National Industrial Relations Administration attempted to fix wages and hours. Who can tell how much they had to do with throwing old people out of employment and preventing young people from getting employment? Certainly the condition of those along in years and the young people was never more distressing than it was during the life of the codes. It was during that period that the Townsend plan for old-age pensions and the agitation for the C. C. C. camps originated and had their greatest momentum.

Without adequate study and investigation we are asked to pass the bill with no light to guide us, as far as democratic governments are concerned, unless the experience of the State of Pennsylvania and the Republic of France can be said to furnish such light and so far as it goes their experience stand out as a danger signal, rather than otherwise.

No State has ever gone as far as Congress is asked to go in this bill or approached it even. Several States have laws upon their statute books fixing minimum wages and maximum hours for women and children. I do not know of any, however, that has ever passed, or that has ever made any serious effort to pass, legislation fixing minimum wages for men, and only one that I know of has ever attempted by law to limit the hours of work for able-bodied, normalminded men.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Missouri. Mr. WOOD. I may state to the gentleman the chairman of the Committee on Labor did make several requests to the Committee on Rules for a hearing on that bill.

Mr. MAPES. She never appeared before the Committee on Rules.

Mr. WOOD. She has appeared before the committee, and requested a rule.

Mr. MAPES. As one member of the committee, I know of no such request. The chairman of the Committee on Labor certainly has never appeared before the Committee on Rules in behalf of the rule. The gentleman from Missouri, upon investigation, will find he is mistaken about that.

The Legislature of the State of Pennsylvania, at its last session, passed a law limiting the workweek to 44 hours. said nothing about the wage scale. By its terms, the law was to go into effect on November 1 of this year; but the mere anticipation of its going into effect created such chaos and disturbance in the State and there was so much objection to it on the part of both industry and labor that the State authorities, who were largely responsible for its enactment, without any authority of law, of course, announced that they would not enforce it, and for all practical purposes the law has been entirely ignored up to this time. Is it possible that anyone supporting this bill entertains the notion or the hope that it, too, will become a dead letter if enacted into law?

The Republic of France about 2 years ago also passed a law fixing a maximum workweek. All accounts of the operation of that law which I have seen are to the effect that it has been disastrous. It likewise made no attempt to fix

There is no agreement among students of the question on the wisdom or economic soundness of national wage-andhour legislation. In fact, the concensus of opinion among economists and disinterested students—those uninfluenced by political or other personal considerations—if not actually against it, raises very serious questions in regard to its wisdom. At least one State, or a reasonable number of States, ought to try out a minimum-wage and a maximumhour law applying to all labor and see how it works within the limits of a State before Congress is asked to pass one applying to the whole United States, if the whole subject matter is not to be left entirely to the States to deal with.

In this connection, I should like to call attention to the plank in the 1936 Republican platform on labor, in connection with this question of wages and hours. It is as follows:

LABOR

The welfare of labor rests upon increased production and the prevention of exploitation. We pledge ourselves to—

Protect the rights of labor to organize and to bargain col-

lectively through representatives of its own choosing without interference from any source.

Prevent governmental job holders from exercising autocratic

powers over labor.

Support the adoption of State laws, and interstate compacts to abolish sweatshops and child labor, and to protect women and children with respect to maximum hours, minimum wages, and working conditions. We believe that this can be done within the Constitution as it now stands.

That is a pretty sound platform.

To repeat, who wants this bill anyway? No one endorses it wholeheartedly or without many mental reservations. The American Federation of Labor certainly does not want it. Agriculture does not want it. As a matter of fact, few, if any, want it in its present form. Everybody here knows that. Some thought they wanted it when it was first introduced, but economic and industrial conditions have changed materially since then and the legislation has become so muddled up and confused that many of those who were for it originally have changed their minds about the advisability of passing it now. Eliminate pride of authorship and position and the pride which the majority party organization here in the House has in going through with what it has undertaken, and there would not be a corporal's guard for it now in the shape it is in. And yet Congress is asked to put its stamp of approval upon it. There ought to be some better reason for doing that than just as a face-saving proposition. If it is passed, Congress and Congress alone will have to take the responsibility for it, and if it brings disaster, as so many think it will, Congress will be left holding the bag.

The bill proposes that Congress again abdicate its right and duty to legislate and to turn that power over to a board, or, if the amendment of the Committee on Labor prevails, to an administrator in the Department of Labor. Someone has said that it proposes the greatest abdication of legislative power in all history.

What the legislation will accomplish no one can tell. No doubt it squints at a minimum wage of 40 cents an hour and a maximum week of 40 hours, but whether that objective will ever be reached for the country as a whole, or not, or in any industry or not, or in any locality or not, is left entirely to the discretion of the Labor Standards Board or the administrator, as the case may be, with practically no legislative standards set up to assist the board or the administrator in reaching a conclusion.

The board can fix wages at 40 cents an hour or 35 cents, or even 20 cents. It can fix the workweek at 40 hours, 44, 48, 60, or more if it sees fit to do so. It can fix wages for one industry at 40 cents per hour and limit the workweek to 40 hours, and for another it can fix a minimum wage of 30 or 35 cents per hour and allow it to run 48 or more hours per week, even though both may be in the same city or locality, or it can fix a 40-cent wage scale and a 40-hour week for industries in one locality and allow a 30-cent wage and a 48-hour week in another.

No two men will agree upon the meaning of such vague standards as are set up or suggested in the bill.

Mr. HEALEY. Mr. Chairman, will the gentleman yield? Mr. MAPES. I am sorry; I cannot yield. My time will not permit.

For example, and I quote the language of the bill:

It is declared to be the policy of this act to maintain so far as and as rapidly as is economically feasible minimum-wage and maximum-hour standards, at levels consistent with health, efficiency, and general well-being of workers and the maximum productivity and profitable operation of American business.

Who can tell what minimum wages and maximum hours are "economically feasible" to accomplish "the maximum productivity and profitable operation of American business"? Management for its own interest is constantly striving to do that. That is the business of management. Can a bureaucratic board here in Washington answer the question for all business in all parts of the country better than individual management can do it?

Before fixing a minimum wage the board must find that the application of it "will not curtail opportunities for employment," and before limiting the hours of labor that any such limitation "will not curtail earning power."

The differences between the members of the Guffey Coal Commission in the administration of that law will appear like 30 cents as compared with the differences between the members of this board in reaching conclusions as to the meaning and practical application of this act.

Is it any wonder that commentators have observed:

Where is the country to find five Solomons at \$10,000 a year to fill the board? Or at any price for that matter?

The buck is to be passed by Congress to the board, with the greatest delegation of power in the history of the Nation.

It looks very much as though the sponsors of the bill, because of the great complexity of the problem, have thrown up their hands and determined to leave the matter to a board with broad powers.

It is apparent that the board, or the administrator, will have a perfectly impossible task to perform and one that no one with any sense of responsibility would undertake. The magnitude of the job is beyond all comprehension. As has been pointed out, such broad delegation of power may "end in almost anything from oppression to defeat of the intention of the act altogether."

If the House passes this bill this week, following the passage last week of the farm bill based upon the doctrine of scarcity and clothing the Secretary of Agriculture with power to control and limit the production of farm crops, it will have taken about as long a step as it is possible to take in so short a time toward the further centralization of government, and of putting agriculture, industry, and labor all at the mercy of political bureaucrats here in Washington. What the consequences of such a week's work will be no one can safely predict. We ought to make haste more slowly. This bill should be sent back to the committee. [Applause.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, 5 minutes is insufficient time for me to explain this bill to the Members of the House, especially to those who maintain they do not understand the

There is an old saying, and many of you have heard it, that no one is so blind as those who have eyes but do not see. I do not belong to that class. [Laughter.]

Mr. Chairman, I respect the opinions of every Member of Congress. We are entitled to express ourselves on every piece of legislation which is presented to us, but here is one thing I have noticed today. No Member who has spoken on the measure has told you that he is opposed to a wage and hour bill. The Members, Democrats and Republicans, who have criticized this measure have said they are in favor of a wage and hour bill.

Is it not a fact that every piece of legislation which President Franklin D. Roosevelt sponsored since he has been in office has met a great deal of opposition on the floor from members of both parties? I venture to say, concerning legislation which has been enacted into law, such as the Social Security Act, the Home Owners' Loan Corporation Act, the

Stock Exchange Act, the Banking Act, and other progressive and humane measures, if a bill were brought out on this floor to repeal any of those acts, the Members who fought against them would not vote for their repeal. Why? Because they know the legislation that President Roosevelt sponsored has been damned good legislation for the poor of this country. [Applause,]

It has also been said by some of the opponents of this measure that people who wanted to testify before the committees were not given the opportunity to do so. We had a joint session of the House Labor Committee and the Senate Labor Committee for about 3 weeks. People from various parts of the country appeared before the committees and expressed themselves concerning the bill. Some who testified favored the measure and others opposed it. When the public hearing ended the House Labor Committee discussed the bill for 3 or 4 more weeks.

I want to say to the Members of Congress that Mr. John L. Lewis, who represents the Committee for Industrial Organization, and Mr. William Green, who represents the American Federation of Labor, testified before the House and Senate Labor Committees. Both Mr. Lewis and Mr. Green maintained they were not opposed to the wage and hour bill which was being discussed; in fact, both of these gentlemen, as well as other outstanding men and women, said if the bill would be enacted into law it would to a large degree abolish sweatshops and child labor in our country.

When the wage and hour bill passed the Senate it was not altogether the same measure which was discussed at the public hearings. The members of the House Labor Committee put back into the bill many of the clauses which were eliminated in the Senate. Mr. Green presented to the House Labor Committee certain amendments which the American Federation of Labor endorsed and we inserted them in the measure.

[Here the gavel fell,]

Mrs. NORTON. Mr. Chairman, I yield the gentleman 1 more minute.

Mr. WELCH. Mr. Chairman, I also yield the gentleman from Pennsylvania 1 minute.

Mr. DUNN. Mr. Chairman, I guess I shall have to conclude my remarks.

This is not a perfect bill. It needs considerable improvement. The Members of the House have a right to offer amendments to the wage and hour bill; therefore, if the measure does not come up to your expectation, then take advantage of the opportunity and present the kind of amendments you believe will make the bill practical. I would like to see a 5-day, 30-hour week bill enacted into law, and there are other Members who would also like to see this kind of legislation on the statute books. An outstanding economist who testified before the joint committee maintained that if the wage and hour bill would become a law it would put approximately one and a half million people to work. It was also stated before the committee that if we would adopt a 5day, 30-hour week bill 7,000,000 people could be reemployed.

Let all of us vote for a wage and hour bill that will abolish child labor, sweatshops, and the slum districts in our country. Every person who is employed should receive adequate compensation for their services. There is not any necessity for a person to be out of employment who is physically able to work. There is plenty of work for everybody in our country. All of the people in our country-in fact, the people of every country in the world, are justly entitled to a fair portion of the goods which they produce. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. Eaton].

Mr. EATON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record.
The CHAIRMAN. Is there objection?

There was no objection.

Mr. EATON. Mr. Chairman, I am profoundly depressed by the incredible muddle we find ourselves in as the days go by. We have just passed a farm bill to raise the cost of food to the industrial worker in the city. We are now engaged in passing a wage and hour bill to raise the cost of

the industrial worker's products to the farmer, and the only new thing about it will be a vast new army of bureaucratic maggots who will be engaged in eating up the rest of the meat.

This bill that comes before us today comes clothed in a cloud of mystery. It seems to be an illegitimate child that my dear colleague from New Jersey tells us was placed upon her doorstep last summer by some unknown and ill-disposed person. I am shocked at that. And she is so anxious to get the thing cleared up that today she has invited us to assume its parentage. [Laughter.] I am shocked at that. This legislation was sired down there in the cave of the winds at the other end of the Avenue-conceived in sin and shapen in iniquity. It had no origin here. Mr. Black, of blessed memory, did not write it. My beloved and your beloved friend, Bill Connery, did not write it. It was brought here, as so much of this stuff has been brought in the last 4 years, and placed upon our tongues with orders to swallow it; which we have done.

I am opposed to this bill in its present form. It ought to be recommitted to the Labor Committee for proper study and orderly preparation. I know what stands back of it in our country. We have the sweatshop, a cursed cancer in our economic life. We have the low-wage sections of the country, represented here by distinguished gentlemen.

I recognize and deplore these evils. We have a great and growing passion among our people to get rid of the curse of want in the midst of plenty. We have always active an amazing enduring idea among the American people that you can correct any evil simply by passing a law, even though it is plain that many laws aggravate the very evil they were supposed to cure.

Mr. Chairman, I am in distress over the inadequacy, the uncertainty, and the inability of this legislation to perform the very thing that it is supposed to do, namely, strike a blow at the sweatshop, strike a blow at the low-wage system, and thus improve the condition of that great multitude of our people whom we must put to work sooner or later, if our civilization is not to crumble into dust.

Many years ago I used to be a preacher.

Mr. KELLER. A what?

Mr. EATON. A "what"; yes; and, as I looked around to discover the great elemental forces that were at work in this modern world, I made up my mind that the chief instrument of civilization in this modern time is organized industry. That is where civilization will rise or fall, because there, and there alone, must be found a solution for the problem of producing and distributing wealth among the masses of men in justice to every class and to every man. Believing that, I turned my back on every other instrumentality of social service and went out into the industries of this country, and for 20 years I have been-

Mr. VOORHIS rose.

The CHAIRMAN. Does the gentleman from New Jersey yield to the gentleman from California?

Mr. EATON. No; because he is attempting to interrupt me here right in the midst of what I admit is a splendid oration. [Laughter and applause.]

For 20 years I have been fighting in the interest of increased wage levels, improved conditions of labor, decreased cost of unit production and price to the consumer. I have been fighting to lessen the evils of the capitalistic system, which I consider to be, summed up in one sentence, that there are not enough capitalists. I have sought to remove this evil by increasing the number of capitalists. And I believed this could best be done by the instrumentality of a wide spread in employment and a high level in wages.

We are now in a condition of economic depression, and this is no time to introduce a bill of this kind and further disturb business already hampered by too much governmental interference. I believe with John Stuart Mill that the citizen is entitled to the protection of his government and he is also entitled to protection against his government. I believe, Mr. Chairman, that we have in this country enough moral force and enough brains and character to get rid of this monstrous notion of organizing industry on a war basis as between employer and employee. I believe the time is here when we must have the employer and the employee and the consumer, and, if you please, the Government, get together and recognize the truth that all industry is a service to society; that profit is what the people are willing to pay the investor for that service; that wages are what the people are willing to pay for what a man does who works. On that rational American basis this problem can be solved without eternally mixing it up with unworkable legislation that no one short of omniscience can understand, and no one short of omnipotence can administer.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. EATON. Yes.
Mr. WELCH. It has been stated that there are thousands of women employed in this country who are paid less than \$5 per week. This statement has been questioned by some Members of Congress. Does the gentleman know whether there are women in this section of the country who are being paid these starvation wages?

Mr. EATON. Mr. Chairman, Dick told me that he was going to spring that on me. That is in New Jersey. We have a minimum-wage law in New Jersey 2 years old, providing that minimum wages shall be \$17 a week, and, according to a recent report, we have 34,000 or 35,000 women working for \$5 a week right now. I am against that condition with all my heart. I think it is a social cancer, a social evil, a disgrace to our great State.

Mrs. NORTON. Then the gentleman admits that the State cannot enforce that law?

Mr. EATON. No; I do not admit that, because, then, I would turn my back on the very foundation of our American civilization. [Applause.]

That law is 2 years old, and the reason given why our State has not enforced it is that it had to spend millions and millions of dollars for relief, and could not afford to spend the money to enforce that law. Now, of course, when we get a Republican house and senate we are going to change all that. [Laughter.]

Mrs. NORTON. Will the gentleman yield further? Mr. EATON. I yield.

Mrs. NORTON. I want to remind the gentleman that New Jersey has been under Republican rule since that law was enacted.

Mr. HARTLEY. Mr. Chairman, will the gentleman yield? Mr. EATON. I yield.

Mr. HARTLEY. Under whose department in the State of New Jersey is the enforcement of that minimum-wage law?

Mr. EATON. The labor department and law department. Mr. HARTLEY. And a Democratic labor commissioner and a Democratic attorney general of the State?

Mr. EATON. I did not wish to unveil those horrors before you, but it is a fact. [Laughter and applause.]

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. EATON. I yield.

Mr. CRAWFORD. I desire to get the gentleman's expert opinion. Does the gentleman believe that it is more practical and an easier matter for the State to administer an act with such broad provisions than for the Federal Government to do so?

Mr. EATON. I certainly do. For instance, they talk about differentials. The southern people are told they will only have 10 or 15 cents or dollars, or whatever it is, and we in the industrial North will have 40. That means that all the sweatshops will move at once from New Jersey right down into Georgia and the deep South and make themselves at home, and the South will be swamped instead of being relieved and enriched. I sum up my reasons for opposing this legislation in a few words:

First. It is an invasion of State rights and State duties. Second. It further slows down business by increased bureaucratic interference.

Third. It will deepen the present depression by increasing uncertainty and fear.

Fourth. It will restrict production and thus raise the cost of living to the worker.

Fifth. It will sound the death knell of organized labor by substituting the commands of a Federal bureaucrat for collective bargaining.

Sixth. It will tend to fix all wages at the dead level of 40 cents an hour.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mrs. NORTON. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. McReynolds].

Mr. McREYNOLDS. Mr. Chairman, I yield 10 minutes of that time to the gentleman from Florida [Mr. Wilcox].

Mr. WILCOX. Mr. Chairman, regardless of what amendments may be offered or what substitutes may be submitted, the fact remains that the bill under consideration by the House at this time is the bill that was reported on the 6th day of August by the Committee on Labor.

I regard the wage and hour bill, in its present form as reported to the House, the most serious threat to representative democracy which has been proposed in this generation. It proposes a bureaucratic control of business and industry and a dictatorship over labor which, if enacted, must ultimately result in a destruction of the right of collective bargaining and which may easily reduce labor to a state of economic slavery.

It proposes the establishment of a Federal bureau or board with autocratic and dictatorial power beyond any ever attempted in any government of free people. It would place in the hands of a little group of Federal bureaucrats the power to regulate the earnings of millions of American citizens. And since, in the words of one of its sponsors, the bill, as drawn, is only a modest beginning, the Federal bureau once established will soon be extended to cover every business, every industry, and every man who works for a living in America.

Once this bill is enacted private enterprise in America will be subject to the whims and caprice of a governmental agency and labor will have sold its birthright without receiving in return the proverbial mess of pottage.

When we set up a board with power and authority to regulate the wages and hours of employment and with power to thus control the working men and women of this country we will have taken a very definite step toward complete regimentation of the people.

The board provided for in the bill will not only have potential power to bankrupt private business and wreck individual enterprise but, what is of vastly more serious importance, it will also have within its hands the power to destroy labor. By the exercise of discretionary power it may reward one business and punish another; it may establish high rates of pay and low hours of employment for one group of workmen and low rates of pay and long hours of employment for those not in favor with the board; it may prefer one section of the country over another; and it may, if it so desires, by the prescription of more attractive terms, force the removal of industries from those sections which may have incurred the displeasure of the bureaucrats. It could control elections, make and unmake political administrations, and direct the lives of the people. Set up such an institution and you have the makings of a dictatorship which, when once installed, may never be removed except by revolution.

I believe, as you do, in decent wages and decent working conditions; and I also believe in representative government; in the right of men to govern themselves without dictation; in the right of men to work out their own problems; and in the right of laboring people to bargain collectively for the improvement of their condition. And because I believe in these things I do not believe in this measure, which ultimately will place 45,000,000 wage earners under the domination of five Federal bureaucrats in Washington.

I want to discuss this bill primarily from the standpoint of its effect upon the workingman. In doing so I do not mean to minimize the evil that will be done to business, industry, and agriculture; but, because the sponsors of the measure have contended that it is designed to elevate the standard of living of the underpaid and underprivileged

classes, I want to view it from their angle. I believe that my unbroken record of support of all labor legislation and my recognized attitude of sympathy for the problems of labor qualify me to discuss the bill from that viewpoint.

Now, it is most remarkable that a measure purporting to be in the interest of the underpaid working people of the country should exempt from its operation so many groups and classes of workmen. It does not extend its alleged benefits to all working people. In fact, it specifically says that it shall not apply to certain groups.

The framers of this bill have been very careful to provide that it shall not apply to agricultural labor. God knows if there is any class or group of people in America who are underpaid and whose very existence is made unsafe and uncertain both by man and by nature it is that group who must depend upon agriculture for a livelihood. And yet under this bill there is no board to say to the farmer that he can go to work at 8 in the morning and quit at 4 in the afternoon and loaf on Saturday and be guaranteed a minimum income. No. He must go to work with the crack of dawn and labor into the night 6 days a week and take his chances on the weather for his crop, and after it is made he still has no assurance that it will yield him a living because he still must depend upon the uncertainties of a man-made market.

During the recent debate on the farm bill it was shown that the average income of American farmers is \$359 per annum, or a little less than \$7 per week, while the average income of our southern cotton farmers is only \$200 per annum, a little less than \$4 per week. But is he given a \$16-a-week minimum guaranty in this bill? He is not. On the other hand, he will find that everything he buys will cost him more than it did before. When he buys clothing for his family, implements for his farm, or fertilizer for his crops, he is the fellow who will pay the bill out of his meager \$7 a week.

And then the measure says that it shall not apply to those who are engaged in the canning or packing of fish, fruits, or vegetables. It does not apply to retail merchants or their employees. It is supposed to exempt all persons not engaged in interstate commerce. It leaves out those who gin cotton but includes those who spin the cotton into thread.

Why, if this is a good law, are these and other groups of workers left out? Why have you omitted 40,000,000 workers from the bill if it is a good thing for labor?

Why extend the benefits of a good law to one class of our people and deny them to another class? And, on the other hand, if it is a bad law for one class, then why is it not a bad law for the others?

There can be no rational justification for discrimination for or against any group if the Federal Government is going into this business.

Now, one of two things is true; either the legislation deliberately, purposely, and intentionally discriminates against certain classes of working people, or the sponsors, realizing that the proposal would be a bad law, have undertaken to minimize its bad effects by making it applicable to only a very small number of people. But if it is so bad that some must be left out, then why make it apply to any?

I am not disposed to believe that the sponsors of this legislation would deliberately withhold the benefit of a good law, if they really believed it to be good, from such an enormous group of people as are exempted from this bill. I am driven, therefore, to the conclusion that the sponsors realize that it is a bad law and that they have exempted these people so as to make it applicable to just as few as possible. But the question arises as to whether these people are actually exempted; and, if so, whether they will remain exempted from the provisions of the bill once it becomes a law.

In the first place, let me remind you that although the Federal Government has no jurisdiction except over interstate commerce and those people who are engaged in interstate commerce, nevertheless, this bill provides that any enterprise whose products may come into competition with products shipped in interstate commerce will be subject to the provisions of the law. Therefore, any little neighborhood industry whose products may compete with similar products

which have been shipped in interstate commerce will find itself subject to the regulations of this act, and its employees will receive their orders from a five-man board sitting in Washington.

Again, the regulation of wages and hours in one business on one side of the street will be impossible where a business on the other side of the same street in the same community is unregulated. It is not reasonable to believe that the turpentine industry will remain unregulated when the sawmill industry in the same locality is regulated. Such a situation will create such confusion and such disorder that Congress will find it necessary to amend, enlarge, and extend the act so as to cover industries and businesses which are now specifically exempt. Those who are now exempted, therefore, may be lulled into a sense of security in thinking that their wages and their hours of employment will not be regulated under the terms and provisions of this bill; but, once the measure is enacted and once this board is established, it will be a matter of only a few years until the exemptions will be removed and the powers of the board will be extended to cover every man and every woman who works for a living in America.

In the past 40 years organized labor has accomplished much for the welfare of the American workman. It has increased his pay, shortened his hours of employment, and secured more decent working conditions for him. But I would remind you that these things have been accomplished by negotiation, by collective bargaining, and not by Federal law. Organized labor has been able to adjust its differences with capital when it could sit down at the table and negotiate for better working conditions; but, once the Federal Government assumes control, once a Federal bureau is given the power of regulation, organized labor will find it has surrendered its power of collective bargaining and has subjected itself to the dictation and control of the Government. The enactment of this statute, therefore, means the beginning of the end for organized labor and means the substitution therefor of Government control and bureaucratic dictation.

I do not mean to say that all labor will be brought immediately under the terms of this bill; nor do I mean to indicate that the Federal Government will immediately displace collective bargaining. Unfortunately the results will not be immediately discernible. If they were, we would have nothing to fear, because the American people would not stand for it. But the passage of this bill is the entering wedge; it is the establishment of bureaucratic control over labor; and by the gradual extension of authority and the gradual assumption of more power, this Federal bureau will within 5, and certainly not more than 10, years become the autocrat of business, industry, and labor in this country.

Another danger that I see in the enactment of this legislation lies in the fact that the establishment of minimum wages is likely to result also in the establishment of maximum wages. The danger of this is recognized in the measure itself because it contains a provision which requires that the five-man board shall exercise due caution to prevent the minimum wage from becoming the maximum. Thus even the framers of the bill understand that they are trying an extremely dangerous experiment and that they are gambling with the welfare of the workmen. They know that in establishing a minimum wage there is a strong possibility of at the same time fixing a top wage beyond which the workman cannot go.

In dealing with the question of whether this measure is actually in the interests of the workmen we should not overlook the fact that in every section of the country there are small industries working only a limited number of people and which do not operate on a sufficiently large scale to permit more than one shift of workmen per day. Suppose such a plant should be required to operate not more than 40 hours per week. This would not result in giving more men a job, but would result simply in requiring the plant to remain idle for 1 day out of each week and this in turn would result not only in the loss of 1 day's output for the plant but also in the loss of 1 day's pay each week to the

workman. I am persuaded that the workman would prefer to work 6 days per week and get 6 days' pay rather than be forced to work only 5 days per week and lose 1 day's pay.

Then there is another matter of great importance in the South, and that is the problem of our Negro labor. There has always been a difference in the wage scale of white and colored labor. So long as Florida people are permitted to handle the matter, this delicate and perplexing problem can be adjusted; but the Federal Government knows no color line and of necessity it cannot make any distinction between the races. We may rest assured, therefore, that when we turn over to a Federal bureau or board the power to fix wages, it will prescribe the same wage for the Negro that it prescribes for the white man. Now, such a plan might work in some sections of the United States but those of us who know the true situation know that it just will not work in the South. You cannot put the Negro and the white man on the same basis and get away with it. Not only would such a situation result in grave social and racial conflicts but it would also result in throwing the Negro out of employment and in making him a public charge. There just is not any sense in intensifying this racial problem in the South, and this bill cannot help but produce such a

Many of our northern friends may honestly think that by forcing a uniform wage scale upon the South they are doing the Negro a real service. But those who know the facts know that when employers are forced to pay the same wage to the Negro that is paid to the white man the Negro will not be employed. This in turn will mean that he will be thrown onto the relief roll to be fed in idleness. This is just another instance of the well-intentioned but misguided interference of our uninformed neighbors in a delicate racial problem that is gradually being solved by the people of the South. This bill, like the antilynching bill, is another political gold brick for the Negro, but this time the white laborer is also included in the scheme.

I would also call your attention to the difficulty of administering this proposed law. These five men sitting in Washington must deal with the social and economic conditions prevailing in every village and hamlet as well as every large city in the country. They must deal with conditions prevailing in a small sawmill community in Florida and at the same time consider the conditions in New York and Boston and Kansas City and San Francisco. The garment maker in Philadelphia and the turpentine Negro in Georgia; the cigar maker in Tampa and the automobile worker in Detroit must all come under the jurisdiction of five men in Washington. To administer such a law would require an army of snoopers, investigators, informers, and sleuths exceeding even that of prohibition days. It would be physically and humanly impossible for five men to gather the information necessary without such an army, and with their help it will be equally impossible to work out wage scales that will do justice between men in different sections of this vast country. Many things enter into the determination of wage scales just as they enter into every other activity. Living costs, proximity to markets, freight rates, availability of raw materials, climate, all must be considered, and because these must be considered a rate of pay which is just and fair in one section may be grossly unfair in another. And yet under this bill five men are to be given the power to determine these questions upon which the happiness and welfare of millions of Americans depend.

Whatever purposes may have motivated the framers of this bill, whatever their aims or intentions may have been, the result undoubtedly will be to drive industry out of the South and force it into those sections which are closer to the larger markets. When Florida with its warm climate, where fuel costs are low, rents are cheap, and where fruits and vegetables are close at hand, but where its products must be shipped hundreds of miles to market, is forced to meet the living costs of New England it will simply mean that industry will go to New England. And I rather suspect that it is the knowledge of this fact and not their interest in southern workmen that accounts for the New England support behind this bill. Of course, I cannot blame New England Senators and Repre-

sentatives for trying to get everything they can for their section, but in this instance they are doing an injustice not only to southern business and industry but to southern labor as well. What good would it do a southern workman to have the law or the Federal board fix a high rate of pay for him if the plant where he works shuts down and moves away?

I offer no defense for any employer in the South who pays less than a proper living wage. If employers in my section pay less than the traffic will bear, if they exploit the labor of the South, I condemn them just as I condemn employers in the North, East, or West who are guilty of such practices, and I do not in any sense condone their actions. But while we are on the subject and since it has been made to appear here that we in the South are the chief offenders in the matter of low wages, it might be well to refer briefly to the "sweatshops" of the North and East. I think no one will deny that the worst labor conditions in this country prevail in those industries where employees are paid on a piece-work basis.

Now, either by accident or design, this bill does not attempt to correct any of the evils of the piece-work system. The sweatshops of the North and East will go merrily on their way, free to exploit their employees without restraint and without regulation.

Here again, I should like to ask: If this is a good law why have these people been left out?

If our friends really want to help the underpaid and overworked labor of this country, why do they not extend the alleged benefits of the law to the people in the sweatshops who are paid on a piece-work basis?

Now, to my Democratic colleagues, I want to say this: Many people have been circulating the rumor that the Democratic platform of 1936 binds our party to the passage of this bill. Exactly the opposite is true. The one thing that the Democratic Party has always stood for is the right of the States to settle internal affairs, and the one thing that the Democrat Party has always vigorously opposed is the centralization of power in the hands of the Federal Government.

But let us look at our 1936 platform and see just what it says. This is the section dealing with wages and hours:

We know that drought, dust storms, floods, minimum wages, maximum hours, child labor and working conditions in industry, monopolistic and unfair business practices cannot be adequately handled exclusively by 48 separate State legislatures, 48 separate State administrations, and 48 separate State courts. Transactions and activities which inevitably overflow State boundaries call for both State and Federal treatment. We have sought and will continue to seek to meet these problems through legislation within the Constitution.

The language used is significant. It does not say that there shall be a Federal board or bureau with autocratic power. It would have violated every principle of the Democratic Party if it had said so. What it says is that the problem calls for "both State and Federal treatment." Our platform requires joint action, so that each State shall have a part in the program. This is not only democratic but it is necessary. No five men in Washington can possibly solve the problems incident to the enforcement of such a law. But if the people in Florida, who know Florida conditions, are given a voice in the matter they can work it out to fit the needs and requirements of Florida people, and the people of the other States can do the same thing as regards their own localities.

All of these questions are important and are deserving of our careful consideration, but they are of little consequence when compared to the more important question of whether we shall set up a Federal board or bureau to have dominion over labor. Once we establish such a board with the powers proposed by this bill we will have surrendered the last vestige of States' rights and the right to work out our own problems in the manner best suited to our own particular needs. But what is of vastly more serious importance we will have sold labor "down the river."

A great friend of labor once said, "Keep labor from under the thumb of government." How wise, how farseeing he was is evidenced by the plight of labor in every country where

government has assumed the right to regulate and thereby the right to control it. American labor enjoys the highest standard of living; it receives the best wages and works under the best conditions which exist in any country on earth. This is true because the American workingman retains his freedom to negotiate collectively with his fellows. He has not surrendered to government his right to work out his problems in the manner that insures to him the maximum income which the traffic will bear. But now, with a great fanfare of trumpets, with the mouthing of honeyed words and high sounding phrases, with great protestations of good faith and high purpose, the Congress proposes a measure which may easily result in the loss of the victories which American labor has achieved as the result of a half century of laborious effort.

Already our Federal Government has traveled a long way along the road toward concentration of all power in the hands of a few bureaucrats. Already we have drifted far from the course charted in our plan of representative government. Let us not take this final step of regimenting those who earn their bread by the sweat of their brows. [Applause.1

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Chairman, it is understood that I may reserve the other 10 minutes of my time until tomorrow.

Mr. WELCH. Mr. Chairman, I yield 8 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, in order that there may be no misunderstanding as to my position or, rather, my feeling toward organized labor, may I say that I have carried a card in the Typographical Union for nearly 30 years and have in my files many letters commending me for positions I have taken on various measures of interest to labor that have come before the House in the 20 years that I have been a Member.

I was amazed to receive a letter in this morning's mail which reads as follows:

Hon. HAROLD KNUTSON,

The House Building, Washington, D. C. HONORABLE SIR: The executive board, International Union United Automobile Workers of America, at its special meeting in Detroit, unanimously resolved to send to you and all other Members of Congress whose constituents include any of our 400,000 members the following communication:
1. That our union considers it vital to the security and welfare

of its members that you cast your vote and use your influence in favor of the Black-Connery fair labor standards bill;

2. That we consider it equally vital to the security and welfare of all wage earners and therefore of the country as a whole;

3. That Representatives in Congress who vote against or fail to

vote or pair in favor of the bill are thereby placing themselves on record as opposed to the best interests of their constituents;

4. That an unfavorable vote on this bill or failure to vote or pair in favor will not be forgotten next year, when Representatives ask their constituents to reelect them, as this will be the acid test of a Representative's real position.

Evidently this young man was alive before the war broke out—"the acid test of a Representative's real position."

Then he goes on to say:

5. That this is not a political threat-

[Laughter.]

but a frank expression of conviction and fair notice that Representatives who do not represent cannot expect support. Respectfully yours,

HOMER MARTIN,
International President of the
United Automobile Workers of America.

It may not be a threat, Mr. Chairman, but it is certainly a promise.

Mr. MICHENER. Mr. Chairman, will the gentleman yield? Mr. KNUTSON. I yield. Mr. MICHENER. I call the gentleman's attention to the

fact that the author of this letter assumed a similar attitude recently in the Detroit election, but in that election the city of Detroit overwhelmingly cast that kind of philosophy and leadership into the discard. In Monroe, Mich., the same leadership attempted to defeat for reelection the mayor, who had organized a volunteer police force to protect those who wanted to work during the sit-down strikes in that city. In this instance the mayor was reelected by a 3-to-1

Mr. KNUTSON. I am not surprised. Thinking people will not stand for such tactics.

This same gentleman, my friends, a short time ago called upon the automobile workers of the United States to stop buying meat; in other words, to boycott the American farmer so as to depress prices, yet today he is out in my country trying to organize our farmers and trying to bring them into the C. I. O. In this connection I want to read a telegram sent him by Edward A. O'Neal, president of the American Farm Bureau Federation:

American farmers are shocked at newspaper reports of your urge American farmers are shocked at newspaper reports of your urge upon all members of the C. I. O. automobile unions to withhold consumption of meat in an effort to reduce prices. Is this an invitation for American farmers to take similar action against products produced by C. I. O. labor? Factory wages are more than 20 percent in excess of 1929 level, and retail food prices, including meat, are nearly 20 percent less than during same period. National welfare demands a balance as between agriculture labor and industry and American farmers will regist by period. National welfare demands a balance as between agricul-ture, labor, and industry, and American farmers will resist by whatever means necessary any efforts to aggravate the present disparities.

A Mr. Frazier, down in Lovettsville, Va., wrote Mr. Martin something worth thinking about. I read the article which appeared in the Washington Star recently:

Meat strikes and "meatless weeks" advocated by the United Automobile Workers to force down meat prices were met today with a counterstrike.

The Lovettsville Farmers' Club has begun a boycott against products of industries employing U. A. W. labor, and said its members would call upon other "farmers throughout the country" to follow suit.

W. H. Frazier, club president, in announcing the boycott, de-clared that 90 percent of the differentiation in the price of meat received by the farmer and that paid by the consumer may be traced to efforts to "unionize labor."

BLAMES DECLINE ON C. I. O.

He charged the "declining state of business" to the "bargaining tactics of the Committee for Industrial Organization and its constituent unions, including the United Automobile Workers."

Mr. Frazier, in a letter to Homer Martin, U. A. W. president, who encouraged the meat strikes in a letter to U. A. W. members on Necouraged.

who encomber 12, asked:

"Do you know what a farmer's hours of labor are, Mr. Martin?
If the farmer worked only as many hours a day as does the
U. A. W. member, you would pay twice as much for steaks."

CALLS FOR A BOYCOTT

"Farmers, nearly to a man, use automobiles and trucks, Mr. Martin. But they don't buy them when they can't. And when farmers don't buy, you don't sell much, Mr. Martin."

In his letter he explained the Lovettsville Farmers' Club is composed of farmers of Loudoun County, Va., who are actively engaged in the production of meet enimals.

in the production of meat animals.

in the production of meat animals.

"In order to combat the effect on all farmers of the U. A. W. propaganda and reduce the market price of meat animals below the cost of production," Mr. Frazier wrote, "we do hereby call upon the farmers of the county to strike against and boycott the products of industries employing labor who participate in and endorse such tactics. In particular, we call this strike against the purchase of automobiles made in plants dominated by the U. A. W. and you, Mr. Martin."

LABOR CALLED MONOPOLY

"You cannot, in truth, plead that your campaign is directed against monopoly in processing and distributing channels; if there is a monopoly there, it is that of organized labor. Do you want the Federal Government to prosecute that monopoly, or other labor monopolies such as the U. A. W.?

"You know, as we know, that up to 90 percent of the spread between the price the farmer receives and the price the consumer pays is labor cost, and you know, as we know, that your parent—the C. I. O.—has endeavored to organize all processing and distributing channels. Are we to believe that you Mr. Martin desire the C. I. O.—has endeavored to organize all processing and distributing channels. Are we to believe that you, Mr. Martin, desire that wages of that labor be reduced? Does not the C. I. O. and the U. A. W. stand for, and get, higher wages and shorter working hours? Does that raise the cost of anything, automobiles, for instance, Mr. Martin? What you would dictate then, Mr. Martin, is and can be nothing else but lower prices to the farmer—poverty to the farmer—even though the C. I. O. is trying to organize the farmers in the Middle West."

Reverting to the letter from this man Martin, I can remember the time when, if a man sent a letter like that to 400 Members of this House of Representatives, he would have been hailed before the bar of the House and censured by the Speaker; but, in this day of rubber stamps, we take it and we smile, and we invite more of it.

Mr. VOORHIS. I ask the gentleman whether he never received any other letters like that from any other organizations?

Mr. KNUTSON. No; I never have; I never have.

Mr. VOORHIS. I have received a great many of them.

Mr. KNUTSON. That is probably because the writers think such letters will interest the gentleman. I am sure it was an oversight that they sent this letter to me.

We have been assured repeatedly that all agricultural activities are excluded from this legislation. Let us see if such is the case. I invite your attention to page 5, lines 15, 16, 17, and 18, which read as follows:

Independent contractors and their employees engaging in transporting farm products from farm to market are not persons employed in agriculture.

I submit in all fairness that while the man who transports agricultural products from farm to market may not be a farmer he is, nevertheless, an integral and very necessary part of the agricultural organization. Then again on page 28, section 7, I am not sure that under the provisions of this section it would be possible to ship farm products in interstate commerce that had been handled by nonunion truck drivers.

Mr. Chairman, we have had a great deal of trouble with labor violences in Minnesota, where a bitter fight exists between the two dominant labor organizations, and it was only 2 or 3 weeks ago that a labor leader was shot down in cold blood in Minneapolis. I regret to say there have been others. In the many strikes that we have had in our State farmers driving their own trucks, and who were not members of any union, have been slugged and unmercifully beaten by hired thugs. Right now the wood-products industry of northern Minnesota is at a standstill because the highways are in possession of thugs and gangsters who absolutely prohibit any trucker from using the highways unless he belongs to the union. In fact, Mr. Chairman, it has become a racket that should be investigated by the Federal Government.

Is this, or is it not, a free country? May I ask who owns our highways? Should it be necessary for a farmer or any other individual who wishes to drive a truck to join the union before he will be permitted to use our highways?

I am probably as good a friend of labor as there is in this House, but I am warning you now that if this lawlessness continues the whole labor movement will be discredited because, after all, the average American believes in liberty, in freedom, and in fair play.

If there be a man in this House who believes in violence, such as I have described, as a means of furthering the labor movement, let him stand up here now and proclaim his adherence to such an indefensible program. As a union man who has carried a card for a quarter of a century and expects to do so until the end, let me issue this warning: The present program, which is nothing less than a racket, if continued, will inevitably set labor back to where it was before it began to organize. It is individuals like Homer Martin who will bring such an unfortunate situation about, and I call upon every member of organized labor who has the movement sincerely at heart to rise up and repudiate such false and dangerous leadership. I believe that this measure is but another step toward fascism and have reason to believe that the American Federation of Labor is of the same opinion. Certainly, our farmers are of this opinion. Its passage would make it almost impossible to hire farm help.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. Fitzgerald].

Mr. FTTZGERALD. Mr. Chairman, I am for this bill because I was elected on the promise to the people of my State that if sent here to Washington I would help write a wage and hour bill which would do away with the abuses from which some of the people of my State are suffering. I am for the pending bill because it is a part of the Democratic platform. I am for it further because the greatest leader that God ever gave to America is in favor of the bill. The people believed in that pledge and swept Members from the South and a great many more on this side of the House into

Congress. I do not intend to walk out on my promise when the vote on this bill is taken.

Mr. Chairman, while I was deputy commissioner of labor in my State I saw numerous abuses. The statement has been made here that these abuses exist only in one part of the country, but may I say that they exist in all parts of the country. I come from the East where we have wages as low as \$4 a week for 48 and 55 hours of labor.

Mr. Chairman, I learned a trade 40 years ago and worked for a concern that was one of the best in the country. This company worked us reasonable hours and paid good wages, but one day it found it could not compete so it began to reduce wages and salaries. The workers resisted these wage reductions, the same as they are resisting them today. This company did not want to pay a wage sufficient in amount to keep one's family together or educate one's children; it was not willing to pay a living wage. We resisted the cut and it moved its factory to another State, in which men would wear overalls 7 days a week and allow their wives to work with them so that the combined wages of both would amount to a living wage for the family.

All I ask for an American father is that he be paid a wage sufficient in amount that his wife may stay at home and bring up her family and that his children may be educated and that he may set a little aside for his old age. Is there anything wrong with that philosophy?

It has been stated here this afternoon that this matter should be left to the States. The States cannot enforce and carry out the provisions as contained in this bill, because we have had the experience in the past where States have raised their standards and the industries went out of business on account of competition with States that had lower standards.

From the discussion that has taken place here this afternoon, the only conclusion I can draw is that the committee did not bring out a bill strong enough. The methods we will adopt in the enforcement of the bill can be improved upon when the bill is read for amendment. I plead especially with the Members on this side of the House to carry out your program, find a proper method, and enact it into law. [Applause.]

[Here the gavel fell.]

Mr. WELCH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, I want to discuss for a few minutes the farmers of our Nation. We were informed by a previous speaker that no consideration has been given the farmer, this I agree with. My district is composed of farmers and those engaged in industry. The men in the industries work about 8 hours a day, if they can get work to do. The farmer works from about 4 o'clock in the morning until 8 o'clock in the evening and the wages the farmers receive, as you all know, are very small.

If this is a good law for the men in industry, it should likewise be a good law for the farmers. The farmer gets to be an old man before his time on account of hard work and long hours. Why not consider his wages and hours of labor? We have a 40-hour week in New York State for industry but organized labor has always opposed a minimum wage. They claim the minimum will be the maximum. I want to see all labor receive a good wage and reasonable working hours. I believe that 8 hours is long enough to work and perhaps 40 cents an hour is the right figure, but conditions change; most labor in factories so far as I can learn receives more than this amount now, while the farmers receive much less. When we increase the cost too much to the farmer and buying public they must stop buying. The legislation may harm rather than help the workers.

I was home over the last week end and I find our factories when they are running at all are running only on short time. Some of our principal factories that have in the past worked three shifts a day at the present time are entirely closed down. Some of the other factories are working only 24 hours a week. Others have laid off a great many of their employees. Conditions under this new depression created by President Roosevelt are getting worse all the time.

Hearings are being held on reciprocal-trade agreements here in Washington, that have for their purpose lowering of the tariff with foreign countries. Tomorrow there is going to be a hearing before the Tariff Commission on shoes down at the old Land Office Building beginning at 10 o'clock in the morning. I have invited the chairman of the Committee on Labor to attend that meeting and bring with her the other members of the Labor Committee. I invite all Members of Congress who are interested in the laboring man to go down there and endeavor to bring before the Tariff Commission the necessity of not reducing the tariff on shoes, for example, that come to this country from Czechoslovakia, but increase that tariff. I have one concern which employs 20,000 shoe workers in my district, as well as other smaller concerns. The employees in the larger factory are working 24 hours a week. Their wages when employed are good, receiving on an average 67 cents an hour. The average for shoe workers throughout the Nation is 51 cents an hour. I am afraid if this legislation is passed providing for 40 cents an hour, these employees will be decreased instead of getting an increase in wages. The fact that the Government says 40 cents is a fair wage scale may be an incentive for those who are losing business to decrease their wage scale. I am informed that child labor is employed in Czechoslovakia at about 13 cents an hour. All we have to protect our workers from starvation wages or no wages at all is the tariff. Yet the majority party does not show any interest in the working man.

The reciprocal-trade agreements have been disastrous to the farmers. It has lowered the price of dairy products coming into this country, especially from Canada into New York and the bordering States. We have a low tariff on shoes, as I said before, and now it is proposed to lower the tariff coming from Czechoslovakia, in which country is located the largest shoe factory in the world. This concern is getting the world trade. It has shoe factories in 10 other nations which are supplying the world market. We in the United States are losing our shoe market. At one time we shipped 22,000,000 pairs of shoes abroad. At the present time we are shipping only about one and one-half million pairs of shoes abroad. If we want to do something for labor, let us do something real. Let us get busy and let the Tariff Commission know we have to increase the tariff rather than lower it if we are going to help labor. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. Maverick].

PURCHASING POWER IS WHAT BUILDS BUSINESS—WAGES CREATE PURCHASING POWER

Mr. MAVERICK. Mr. Chairman, I have heard a great deal today about the North and the South. (See below I, Wages, North and South Comparisons.) I have heard gentlemen warn the North that industries in the South would never pay a Negro the same wage they would pay a white man, in spite of a Federal law. As far as I am concerned, if a black man does the same work as a white man, he ought to receive the same pay. [Applause.]

I do not see anything terrible about this. I think Negroes should have economic justice. If a Negro makes good pay, he spends it—just like a white man. Purchasing power builds business, prosperity, and the Nation. If a Negro gets fair wages, he will spend, pay taxes, hire a doctor for his health, send his kids to school, be a better citizen, and contribute his part rather than being a burden.

The very fact we have always had this kind of psychology—I mean beating down the wages of the Negro—is what has kept the wages of the white workers of the South at the bottom, the lowest in the United States. I want to see the purchasing power of the South and the North, East, and West raised. (See below II, Subject of Negro Wages.)

THE "BLOODY SHIRT" OF THE NORTH AND THREATS FROM OTHER SECTIONS

Before I came to Congress I heard of these fellows who were always waving the "bloody shirt" on the Republican side. This was a disgusting thing. But I believe it is just as disgusting for any person from another section of the coun-

try to threaten the North when legislation of a National character is brought on this floor for discussion.

Listen, my friends—and this is not partisan talk—our wealth, the wealth of the South, has been drained out ever since the Civil War, and I believe the first President who has ever given the South a real decent break is Franklin D. Roosevelt and the present administration of the Democratic Party. [Applause.]

COTTON SUBSIDIES, MONEY, BENEFITS-ALSO LAWS FOR THE SOUTH

Let us be fair about this thing. We had the Bankhead Cotton Act, and it was a fine thing for the South. We had a cotton subsidy and we had the T. V. A. We down South took money from the P. W. A., W. P. A., and other agencies and we were glad to get it.

This money did a lot of good for the South, and I am happy we got it. However, when you take money from Uncle Sam you must take the laws from Uncle Sam just like the rest of the United States. [Applause.]

They say there ought to be a differential between the North and the South. Yes? Do you think I as a Congressman from Texas, which has the most wonderful and the most balmy climate in the country, would say, "I want you to reduce my salary because Texas has such a wonderful climate"? You would think I had gone crazy if I should do a thing like that. Southern Congressmen and southern veterans get the same pay as Congressmen and veterans in other parts of the country. This despite our delightful climate. Oh, what a wonderful climate! California and Florida Congressmen should compete for the lowest salaries, for they claim to have climates better than Texas! But just the same the practice of uniform wages is followed all over the Nation by the Federal Government, and that is what it ought to do.

In my district I have a special problem. Living there are 90,000 Mexicans, or Latin Americans. They are usually exploited, because they belong to a racial minority, and are of immigrant stock. (See below III, Wages Paid Mexicans.)

LET US BANISH SWEATSHOPS EVERYWHERE

As far as I am concerned, and I believe this is true of all of my colleagues, solemnly, I do not impute any bad motives to anybody who comes from one section or another, but by the heavens, I do not want any sweatshops or any low wages in my district, if I can help it. Yes, yes, I want the people in my district to get as good wages as the workers in any other part of the country.

When the Federal Government gives me a chance to benefit my district by a decent law, I want my district to come in just as it does on the allotment of money and all the rest of it. This is a nation, a nation, gentlemen.

Mr. Speaker, we have heard a lot today of the Green bill and of the American Federation bill and a lot of talk about the C. I. O. and different organizations. I have heard that this organization and that organization does not want a minimum-wage bill. I am not the man to refuse to accept advice.

I welcome advice; but in the end I must make up my own mind.

SLAVES DID NOT ASK FOR ABOLITION—THEY COULD NOT

But I must say that neither Bill Green nor a half dozen Du Ponts, John Lewis, the heads of the Manufacturers' Association, the chamber of commerce, whoever they are—and it does not make any difference—the sons of both the Texas and American revolutions, do not tell me how to legislate. I am glad to get their advice and their suggestions, but there is no reason why any Congressman should go yammering down the aisles and yelling "aye" to every organization that tells him what to do.

There were no organizations of the slaves asking for the abolition of slavery. They could not organize. And because the people down under have no organizations clamoring aloud for legislation is no sign such people do not want it. It is no argument against the wage bill. It is either right or wrong.

GREEN BILL-RIGID; UNENFORCEABLE

Now let me discuss for a moment what is known as the Green bill. It is known as the 40-40 bill. It is rigid and inflexible. (See below, IV, "Constitutionality of American Federation of Labor bill.") Constitutional or not, it will be impossible of enforcement in the United States of America. The imposition of these rigid restrictions will simply cause the break-down of the law, and it will mean that labor will get no bill. The bill proposed by the committee is a fair compromise and a beginning.

I have a telegram I received from the State Federation of Labor in Texas asking me to vote for the American Federation of Labor wage and hour substitute bill, and that in the event it is defeated that I vote to refer the original bill back to the committee.

In other words, the American Federation of Labor in effect tells us that unless we enact legislation exactly as they say, without crossing a "t" or dotting an "i", that the American worker is not to have any legislation, and do without any protection. The Manufacturers Association and the National Chamber of Commerce do not want any legislation. Well, I am sorry, but I am going to vote for the bill the committee puts up to us, and I am going to follow the leadership of the committee. I believe, by doing so, I shall have a chance of doing something for our country. [Applause.]

CONSTITUTIONALITY OF RIGID LABOR LAW VERY DOUBTFUL

Also, my friends, we might as well face the constitutionality of the Green 40-40 bill. The constitutionality of the wages and hours by States in relation to women, known as the West Coast Hotel case, from the State of Washington (as well as several other States and the District of Columbia) was based entirely on the fact that it was reasonable for a study to be made of conditions, wages, and rights of employers and employees, and then set the minimum wage. Should we adopt a rigid and inflexible bill not based on reasonableness, it will very probably be declared unconstitutional.

For that reason, it behooves us to enact the most reasonable legislation and also so it can afterward be built up gradually, raising the standards of the American people all over the Nation.

MAGNA CARTA OF LABOR-LET US BUILD

Further, my friends, they say, especially the enemies of this bill, especially those who do not want any legislation of this kind at all, that the bill is not any good, and that it is not good enough for labor. They are right, but they do not fool me, or anybody else interested in the welfare of labor. The false friends of labor always say labor should get more, but they really mean nothing.

Oh, the same thing was said when they went to adopt the Magna Carta, no doubt, that it was not good enough for the British people—and if anyone takes the trouble to read it, they will find out that was true. Yes; the Magna Carta was a selfish document. It was a document for the purpose of protecting selfish barons. But upon it has been built the economic and political liberty of England, and through our constitutional and democratic processes, the rights of the American people.

Therefore I intend to vote for the wage and hour bill, recognizing that it will have grave defects, but with the hope that it will become the Magna Carta of millions of Americans, and that upon its foundations will be built a better America. [Applause.]

I. WAGES, NORTH AND SOUTH, SOME COMPARISONS

Since making my address, I have obtained some tables and figures from the Bureau of Labor Statistics on the differences in wages paid in different parts of the country. I shall first present those generally applying, irrespective of race or color. That is because it is necessary to understand the general wage rates, showing such low rates for the South, before we take up the facts concerning the Negro question.

Common labor rates-North, 55 cents; South, 38 cents

The statistics compiled by Commissioner Lubin of the Bureau of Labor Statistics show the northern average of entrance labor rates to be \$0.553, as compared with \$0.389 for the southern region. This is principally in well organized industries, paying the best rates of pay.

These tables show that for the country as a whole 14.7 percent of the common laborers in industry receive less than 40 cents an hour-but that in the South, 48.4 percent are paid under 40 cents. Taking the North as one region, only 3.5 percent got under 40 cents an hour.

The table, with comparisons and explanations, is as fol-

Hourly entrance rates of adult male common laborers, by industry and region, July 1937

Industry	Average hourly entrance rate		Percentage of common laborers receiving less than 40 cents per hour			
industry	United States	North	South	United States	North	South
All 20 industries	\$0. 512	\$0. 553	\$0.389	14.7	3. 5	48. 4
Manufacturing industries:	J. Have	11,11,10	12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1001		Moville
Automobile parts	. 554	. 554		2.9	2.9	
Brick, tile, and terra cotta	. 457	. 484	.319	20.4	10.0	74.3
Cement	. 514	. 553	414	13.1		46.8
Chemicals	. 524	. 590	. 439	23.7	.1	53. 6
FertilizersFoundry and machine-shop	.364	. 539	. 279	62. 2	7.2	89. 0
products	.496	. 507	.381	5.3	1.2	47.1
Glass	504	. 509	.485	3.5	.7	14. 2
Iron and steel	. 585	. 595	. 534	.9	.4	3.4
Leather		.504	.387	10.3	2.0	39.0
Lumber (sawmills)	.437	. 546	. 245	44.9	15.1	97.4
Paints and varnishes	.552	.560	412	2.3	.7	32.3
	. 477	.511	396	14.5	1.7	44.8
Paper and pulp	.611	.642	. 563	.9	11	2.2
Rubber tires and inner	THE STREET					10,011
slaughtering and meat	. 481	. 482	(1)	.8	(3)	(7)
packing	. 567	. 582	.474	3.6	(*).4	23.4
Soap.	. 489	. 490	(1)	28.1	(1)	(2)
Public utilities:		A MONTH			P. Control of	
Electric light and power Electric street railways and	. 459	. 497	. 381	15. 5	4.4	38.3
city motorbus operation	31 167	THE PERSON	12 12	100	ALE LAND	1 2 2 10
and maintenance	.475	. 500	.325	23.3	13.6	83.1
Manufactured and natural		.000			1	1
gas	. 473	.494	. 406	6.5	.4	25. 6
Building construction	. 553	. 636	.382	14.9	1.8	42.3

¹ Less than 50 employees; no average computed. ² In order not to reveal plant identity, district figures are not given.

The industries with averages ranging from 45 to 50 cents were foundries and machine-shop products, soap, rubber tires and inner tubes, leather, paper and pulp, electric street railways and city motorbus operation and maintenance, manufactured and natural gas, electric light and power, and brick and tile, and terra cotta. The lumber industry averaged 43.7 cents. The average in the fertilizer industry was 36.4 cents.

In each case where the figures are available for both regions, the averages in the North were considerably higher than those in the South. The smallest differential per hour appeared in glass, 2.4 cents; iron and steel, 6.1 cents; petroleum refining, 7.9 cents; and manufactured and natural gas, 8.8 cents. The highest differentials were found in lumber, 30.1 cents; fertilizers, 26 cents; and building construction, 25.4 cents. In the remaining industries the differentials varied from 10 to 20 cents.

In the northern region only three industries, namely, lumber, electric street railways and city motorbus operation and maintenance, and brick, tile, and terra cotta, had any appreciable number of employees paid less than 40 cents per hour.

The southern industries with the highest percentages of common laborers receiving less than 40 cents per hour were, lumber, 97.4 percent; fertilizers, 89 percent; electric street railways and city motorbus operation and maintenance, 83.1 percent; brick, tile, and terra cotta, 74.3 percent; and chemicals, 53.6 percent.

II. SUBJECT OF NEGRO WAGES DISCUSSED

Further, using actual figures from the Bureau of Labor Statistics, I find that in a majority of the well-regulated industries the Negro generally gets the same wages as the white man. Therefore, it appears to me that there is a great hullabaloo about paying the Negro less than the white man, and that the only effect it can possibly have is to force lower wages on both Negroes and whites.

I have followed a study of the Monthly Labor Review of April 1937. Taking 35,444 workers, three-fifths, or 21,501, were in establishments paying exactly the same rate to common laborers of both races.

Some Negroes get higher wages than whites

It is true that in this study there were 142 plants with 12,431 laborers which paid a higher wage to white workers.

But just in passing let me note that 21 plants with 1,512 common laborers hired Negroes at a higher rate than white laborers on the jobs to which they were assigned.

Why certain colored workers in same occupations get higher wages, I do not know. I believe a study should be made of that—it will probably indicate that the Negroes are stronger and better nourished workers even than the whites in that particular locality.

As I stated in the main body of my speech, I believe it is unjust to pay one man more or less wages on account of his race if he does equal work, and is of equal skill. And, as far as that is concerned, industries hire people who will work at competitive wages, or less. The truth is that if a man wants a job at common labor, he takes it at the common-labor wage, whether he is white or black. It is specious to argue for the right to pay a lower wage to a man with a black skin. What results is merely the right to pay low wages to all men.

I will admit the argument of some that if wages are placed low enough only Negroes may take the job, and this happens to some extent in the South and in Texas. Some industries and some establishments with very low common-labor rates have only Negroes, or have an extremely large proportion of Negroes, in their common-labor force. As a result all of the wages in those districts are depreciated.

Differentials in some classifications

In most of the southeastern States, where there is a differential between colored and white labor, this differential is only about 1 cent an hour. However, the figures from the Department of Labor show that in Arkansas, Delaware, Mississippi, and Oklahoma there was a differential of 2.6 to 4.5 cents. In the seaboard States from North Carolina to Florida and in Texas, white common laborers averaged 6 to 7 cents an hour more than Negroes. In Louisiana the differential amounted to 8.5 cents. These were mostly in other than the big and established industries, since in the latter there is less differential, or none at all.

However, without burdening this record with a large amount of statistics, I find it difficult to believe that human beings can be found to work at the wages that are sometimes offered. From some of these statistics I find wages running around 6 cents an hour; that 57 percent in a certain industry make less than 8 cents an hour. Anyone can find these full statistics in the Monthly Labor Review of May 1937.

III. WAGES PAID MEXICANS, OR LATIN AMERICANS

Mr. Speaker, in my district there are some 90,000 Mexicans, or Latin Americans, and they are of the white race. They are here called Mexicans for convenience, because they are of Mexican and Spanish extraction, some of them natives who have been naturalized and others descendants of immigrants from Mexico.

Astonishingly low wages paid pecan pickers

Concerning some of the wages paid to Mexicans, I insert the following astonishing figures which came from the NRA and are a result of an investigation:

PECAN SHELLING INDUSTRY—WAGE AND HOUR DATA ON CONTRACT LABOR IN SAN ANTONIO

(N. R. A. Research and Planning Division, Preliminary Report on the Pecan Shelling Industry, March 12, 1935, p. 22.)

As it was impossible to obtain data from the pecan dealers in San Antonio on the wages and hours of employees who worked for the contractors, questionnaires were submitted to a number of these contractors. Fourteen of them furnished complete data for 1,030 employees, of which 878 were pickers, 100 crackers, and 52 cleaners.

These questionnaires indicate that the average weekly earnings for all types of employees during December 1934, were \$1.29 weekly. Specifically, by types of labor, the average weekly wages ranged as follows: Crackers, \$3.39, pickers, \$1.03, cleaners, \$1.65.

I do not consider \$1.29 what you would call excessive wages. With that wage it is very doubtful if the person would have over three or four Rolls-Royce cars with chauffeurs in livery. Nor would such wages (from 3 to 5 cents per hour) indicate many trips to gamble at Monte Carlo.

A further investigation of the State of Texas shows other common workers receiving wages averaging from 6 to 12 dollars per week; and the average annual wages of cannery workers is \$536. It is also shown that the average of petroleum refinery workers—including some Mexicans, but statistics not taken by race—is around 75 cents an hour and moves up to \$1 per hour.

Letter says laborers are dumb

But further concerning Mexican labor, I am enclosing herewith a letter without the name of the sender in order that he may not be embarrassed. His letter is as follows:

The prevailing wages for common labor in our line of business is 25 cents per hour. We pay our Mexican truck drivers who have been in our employ a number of years at the rate of 32 cents per hour. They average about 40 hours of work per week.

The common Mexican laborer is incapable of earning more than the fact that he is clear in motion and

The common Mexican laborer is incapable of earning more than 25 cents per hour due to the fact that he is slow in motion and also slower in thinking. Their dumbness and slow actions do not fit them for the higher rates of pay such as are paid to laborers in the northern portions of our country.

in the northern portions of our country.

We are opposed to fixing a higher rate of pay, as a minimum, than 25 cents per hour for Mexican labor, although we are willing to pay more where the individual is capable of earning more.

We are opposed to paying more than the usual wage where a man is called on to work for an hour or so overtime, as we do not get more pay for our materials when they are delivered at times other than our usual working hours.

Industrial wages paid Spanish-American groups

I have asked for a report on Mexican common labor from over the States in the usual occupations reported by the Labor Department. In industrial occupations the amounts paid appear to be as follows:

Average hourly entrance rate	
Indiana	\$0.624
California	. 499
Texas	. 334
Colorado	. 507
New Mexico	. 297
Arizona	240

From this it can be seen that the lowest paid Mexicans are in New Mexico and the next lowest is Arizona, and then follows Texas. The reason for this is apparent. There is an oversupply of that racial group in those places, whereas in Indiana the Mexicans receive for common labor 62.4 cents. Knowing the Mexican people, I have traveled over the United States and I find they receive the same wages as all other groups outside of the Southwest, where they are concentrated. This seems to do away with the argument that they are not as intelligent as others.

At numerous times throughout history when wage rates and labor conditions have been discussed people have said that certain races or groups were not intelligent enough to get decent wages or conditions. Personally, I believe that an effort should be constantly made for better wages for all citizens, and this in order to keep up the purchasing power which alone maintains the stability of business and our capitalistic structure.

IV. CONSTITUTIONALITY AMERICAN FEDERATION OF LABOR BILL

Concerning the constitutionality of minimum-wage acts and the principles involved, I quote the following from the syllabus of the West Coast Hotel Co. against Parish et al. It is an appeal from the Supreme Court of Washington to the Supreme Court of the United States, and which was decided on March 29, 1937:

Deprivation of liberty to contract is forbidden by the Constitution if without due process of law; but restraint or regulation of this liberty, if reasonable in relation to its subject and if adopted for the protection of the community against evils menacing the health, safety, morals, and welfare of the people, is due process.

WAGES FIXED AFTER STUDY BY COMMISSION

The point is made that wages are fixed after a study of conditions. And the Court further said in the body of the opinion:

The minimum wage to be paid under the Washington statute is fixed after full consideration by representatives of employers, employees and the public. It may be assumed that the minimum wage is fixed in consideration of the services that are performed in the particular occupations under normal conditions.

In fact, the Court had held previously that certain minimum wages set by fixed amounts and without hearing were unconstitutional. In other words, what we need at this time is a bill which is not too rigid, but one in which there are certain flexibilities, in order that it can be administered. The Green bill is an excellent idea, but might very likely be declared unconstitutional in relation to the above and other cases.

Practical features of legislation

In general, I am surprised at the excitement over the wage and hour bill. On the one hand we have those who ask a rigid bill demanding an immediate raise to 40 cents an hour while wages are being paid around 6 and 8 cents an hour; that is the reason that the rigid bill could not be immediately enforceable. The bill that we have before us provides for the setting of lower minimum wages than 40 cents an hour. It is true that no great assistance might be given some of our most submerged groups, as stated by some of the enemies of the bill.

But, if there is legislation which will be continuously showing the facts, and throwing light on the low wages paid in various sections of America, there will naturally be the continuous pressure of public opinion to bring up the lowest of the minimum wages to at least a fair level of decency.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GILDEA].

Mr. GILDEA. Mr. Chairman and members of the Committee, the question has been repeatedly asked this afternoon. Who wants this bill?

That question should be answered. As a member of the House Labor Committee, I, and every other member of the committee who voted to report the bill out, went on record as wanting the Black-Connery fair labor-standards bill.

The Thirteenth Congressional District of Pennsylvania is a strongly organized labor district. The United Mine Workers of America have been the dominating labor force in that district since 1900. Every member of organized labor in my district wants the passage of this legislation.

A previous speaker made the remark that business today is suffering with the jitters. The speaker had his finger on the wrong pulse. It is not jitters with which industry is afflicted. Instead, it is a lack of orders due to lack of purchasing power in the pockets and in the pay envelopes of American workingmen and workingwomen. The basic industry of my district, anthracite-coal mining, is working part time solely because consumer demand has shrunk from 100,000,000 tons of anthracite coal per year to 56,000,000. We cannot restore lost markets to the anthracite industry, nor can we give purchasing power to American families, who are cold tonight and who would buy coal if they had the means, unless a substantial bottom is placed under the national wage structure and the machine challenge is met by limiting the national workweek.

This the pending bill proposes to do. Forty cents per hour multiplied by 40 hours per week, by 52 weeks in the calendar year gives the workers who will come under the minimum-wage standard of this bill a yearly income of \$832, an amount equivalent to a Congressman's salary for 1 month. Let those of us elected on the promise to go the full distance with President Roosevelt in making the New Deal fulfill its promise answer to our constituents and to ourselves as to whether or not we can afford to do less than establish this minimum.

Crocodile tears have been shed in the Well of the House this afternoon for fear the minimum may become the maxi-

The safeguard against that fear rests with organized labor. The C. I. O. and the American Federation of Labor have both demonstrated their ability to protect their membership. Organized labor is not worrying about maximums. The effort is continuously being made to better maximums, and this struggle will go on whether this Congress takes steps to protect the unorganized or whether it does not.

There is no real difference between the members of the House Labor Committee on the provisions of this bill. Some members would change the Senate bill and substitute for the Fair Labor Standards Board, provided in the Senate bill, an administrative agency within the Department of Labor which

would look to the various State departments of labor set-ups for administrators who would be more or less voluntary.

The American Federation of Labor is opposed to the establishment of a central board of control because, as has been said by Mr. Green, of unpleasant experiences with the National Labor Relations Board.

If ever an agency of this Government has justified its existence, that agency has been the National Labor Relations Board. Conditions in business and industry were most chaotic when the Liberty League lawyers 10 months ago were taking time out to advise industry the National Labor Relations Act was unconstitutional and they should make no effort to live up to it.

The Supreme Court decided otherwise, and in the short period of a half year we have seen labor and industry get back in stride. The American Federation of Labor increased its membership by some 831,671 new members in the 12 months intervening between August 1936 and August 1937.

The C. I. O. with 1,440,000 members on its rolls in December 1936 now has enrolled 3,718,000 militant workers for better labor conditions.

Two thousand one hundred and fifty cases were filed with the Labor Relations Board by the American Federation of Labor and 720 of these cases were settled. The C. I. O. filed 2,337 cases and have seen adjusted 670 cases.

The greatest gain recorded was the restoration of 7,010 men to their jobs, men dismissed for union activities. The restoration of these men did establish the principle of collective bargaining, more effectively and more efficiently than any hit or miss law could establish that principle, and certainly it is folly to argue against the pending bill, the unsound theory that America does not want a board to enforce the law.

The alternative offered by the American Federation of Labor to place the administrative agency in the Department of Justice is not labor's way, nor is it the American way, because of adjustments that must be written regardless of gestures to the gallery that if we want a labor bill, let us write one that will be hard and fast. The only difference between the American Federation of Labor proposed substitute and the bill offered by the Labor Committee is simply this, the Labor Committee does not feel the country is quite ready for the drastic, though more liberal provisions of the Green substitute.

Another thought advanced here this afternoon is that this is not the original Connery bill. I rode as far as Philadelphia with Billy Connery on his last visit home. He was pleased with the progress made in the joint sessions of the Senate and House committees. He had thrown the full force of his generous nature and undying faith in the integrity of organized labor behind his effort to write a bill that could be accepted by Congress and the country at large. Nobody knew better than Billy Connery the problems entering into the writing of legislation so important as wage-hour regulation. As I said, he was pleased with the progress made. He was happy to think that this bill would bear his name. If he were here today, he would be at the table steering this legislation through the shoals besetting it, and those who call upon his memory to defeat the measure are not keeping faith with a man who always kept faith with labor.

The esteemed chairman of the Labor Committee, who succeeded to a post that meant carrying on as Billy Connery carried on, is not offering the fair labor standards bill as the illegitimate offspring of an unthinking committee. The House Labor Committee sat through many long and exhaustive hearings in the heat of last summer. The committee worked with an able committee representing the Chamber on the other side of the Capitol. The committee did the best it knew how. It offers a bill that is acceptable to over 50 percent of organized labor as represented by the two outstanding labor organizations. Before our committee John L. Lewis and William Green both endorsed the principle of the measure, but both gentlemen wanted the perfected bill to cover more ground. Sidney Hillman endorsed the measure without reservation.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. GILDEA. When Mr. Hillman was asked by Senator Black why he endorsed the fair labor standards bill whole-heartedly and the other two distinguished labor leaders did not. Mr. Hillman said:

I suppose it is because my experience has always been in the underpaid wage class, the class that will benefit most by establishing minimum standards.

And to you ladies and gentlemen of the Committee, I submit that answer as the reason why all of us should support a 40-cent bottom to wages and a 40-hour top to hours. [Applause.]

Mr. WELCH. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. MAVERICK].

STUFFED WHITE OR GREASY BLUE SHIRT-AND JUSTICE

Mr. MAVERICK. Mr. Chairman, at the time I made my talk I did not know of a letter signed by Mr. Homer Martin, international president of the Automobile Workers of America, in which he said:

That an unfavorable vote on this bill or failure to vote or pair in favor will not be forgotten next year when Representatives ask their constituents to reelect them, as this will be the acid test of a Representative's real position.

I want to include Mr. Homer Martin, who is a friend of mine, in what I said about the rest of those writing letters telling us how to vote. I think the time has come for all persons, whether they have a stuffed white shirt or a greasy blue shirt, to understand that information fairly presented is more effective.

Anyhow, I believe the letter sent by Mr. Martin is indiscreet, and I believe that Mr. Martin, as well as a lot of other letter writers in the country, had better learn a little manners.

HONEST CONGRESSMEN VOTE WITHOUT COERCION

I want to say to my colleagues that there are a lot of organizations in this country, the Chamber of Commerce, the Manufacturers Association, and all the rest of them, taking attitudes. That is their right.

But in the end we must make up our own minds, form our

own conclusions, and without coercion.

My attitude has not anything to do with the C. I. O. or the A. F. of L. or Chamber of Commerce, or any other organization. What I do is of my own volition and what Mr. Martin, Mr. Lewis, or Mr. Green says has not anything to do with it.

They are no doubt all good men, but I believe I know something about the rank and file, too. What labor should do is to get together. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. Allen].

Mr. ALLEN of Pennsylvania. Mr. Chairman, legislation of this kind is a very necessary adjunct to the machine age in which we live. Our engineering and inventive genius following the immutable laws of science have solved for the first time in history the problem of mass production, but, unfortunately, our business leadership has failed to realize to a large extent that mass production requires mass consumption at the same time, if our economy is to remain in balance. I believe that every technical advance, every improvement in our machinery in this country, must simultaneously be accompanied by a decrease in selling prices and an advance in wages. I think this statement is self-evident. What good does it do to produce if you cannot sell, and how in the world can you sell goods if the masses of our people do not have the money with which to buy back the very things which they are making day after day in our factories?

The situation today is somewhat akin to that of a voracious monster which turns around and starts eating its own tail and keeps on going until it arrives at its mouth. We produce, but we cannot sell. We build up a great technological machine, a great mechanical force in this country capable of producing in terms of thousands and even millions where a few years ago we were producing by hand in quantities of hundreds.

We have failed to realize that buying power is a necessary adjunct to production. This is the purpose of this legislation being considered today. Instead of passing on the benefits of this machine age in terms of lower selling prices and higher wages, all too great a measure of the benefits which have accrued from machinery have gone into the hands of a few people, those who control our mechanical forces, and this is the real reason for the inequitable distribution of the wealth of the Nation today.

I say that if our people cannot buy back that which they are producing, men will be thrown out of work in ever increasing numbers from now on. If a man receives \$50 a week, it is a matter of plain common sense that he can buy only fifty \$1 articles, and if the price of these articles is advanced so that he can buy only 40 tomorrow where he bought 50 today, then the men employed in making the other 10 units are automatically thrown out of work. What business needs in America is customers more than it does confidence. If we will furnish business customers, I believe that the confidence end will take care of itself. I think it is an absolute contradiction to say, let us encourage business, let us give business confidence, so that it will expand its productive machinery, when already the productive machinery of business is geared so high that the people cannot consume that which is produced. What common sense is there to increase the productive capacity of business in this country when today under present circumstances we cannot consume that which we are producing? If we will raise the wages among those segments of our population which are on the very fringe of our economic system, the submerged groups, so to speak, and give them buying power, then, and then only in my opinion will the wheels of our factories start turning once more. [Applause.]

Mr. WELCH. Mr. Chairman, I have no further speakers today.

Mrs. NORTON. Mr. Chairman, will the gentleman yield some time to this side?

Mr. WELCH. I cannot do that. I have demands far in excess of the time I have at my disposal.

Mrs. NORTON. Mr. Chairman, while the gentleman from California is getting his speakers on the floor I yield 10 minutes to the gentleman from Colorado [Mr. Martin].

COMPARISON OF SENATE AND HOUSE CHILD-LABOR PROVISIONS

Mr. MARTIN of Colorado. Mr. Chairman, I have some first-hand knowledge of child labor and of long hours and low wages. I left school at the age of 14 years to go into a tobacco factory and work 72 hours a week at \$4.50 a week, and since I became of age I have worked on the section a 60-hour week for \$6.60 a week.

After a study of the Senate bill and the House committee amendments, I can say that I can go along with the bill as presented except in one very important matter, and that is the child-labor feature of the bill. The original Black-Connery bill carried certain limited child-labor provisions which were replaced by the Senate Labor Committee with the provisions to which I shall refer specifically in a moment, and I invite the close attention of Members to an analysis which I shall make.

When the bill came up in the Senate these provisions were voted down, and in their place was substituted what is known as the Wheeler-Johnson child-labor amendment by a roll-call vote of 57 to 28.

The House Labor Committee has thrown out the Wheeler-Johnson amendment in toto and reinstated the discarded Senate Labor Committee amendment. It is word for word the Senate Labor Committee amendment which had been eliminated in the other body and the Wheeler-Johnson amendment substituted.

The action of the Senate was taken not only after searching debate by leaders who are outstanding proponents of child-labor legislation and who had their own bills pending but after it had been agreed by them that the Senate Labor Committee amendment was an unconstitutional delegation of legislative power to the bureau in which it proposed to vest jurisdiction.

I find it impossible to understand such an attempted delegation of power to a department bureau as I shall undertake to show this provision to be. In a word, it hands over to the bureau not only all the children under 18 years of age in the country but it also hands over the law.

Before taking up an analysis and comparison of the House committee amendment and the Wheeler-Johnson amendment I want to refer briefly to the genesis and history of this child-labor legislation. The first Child Labor Act was passed by Congress in 1916. It prohibited the transportation in interstate commerce of the products of child labor in certain named industries. It was held unconstitutional by the Supreme Court by a 5-to-4 decision in the case of Hammer against Dagenhart June 3, 1918.

That act was sponsored in Congress by Hon. Edward Keating, then a Member of the House from Colorado, and for the past 20 years the managing editor of Labor, the official organ of the 21 standard labor railroad organizations, and, in my opinion, the outstanding labor publication in the United States.

During all the ensuing years, Mr. Keating never lost his interest in child-labor legislation, and encouraged by the liberal trend of decisions rendered by the Supreme Court early this year, he decided to try for the reenactment of his original child-labor bill. At his instance his original bill, with some modifications which it was thought would make it more acceptable to the Supreme Court, was introduced in the Senate by Senator Johnson of Colorado and by myself in the House.

Later it was decided by the Senate Interstate Commerce Committee at a hearing on child-labor bills to broaden the approach of the bill in the matter of methods of reaching the objective, and a consolidation of bills by Senators Wheeler and Johnson was effected and introduced as Senate bill 2226. At the same time I introduced a counterpart bill in the House, H. R. 8306.

I shall first analyze the House committee amendment, and I shall begin by saying my objections to it are fourfold:

First. It sets up no standards within which the administrator shall exercise the vast discretionary powers vested in him.

Second. It vests discretionary power in the Chief of the Children's Bureau to exclude any and all children under 16 years of age, in any and all occupations, from the protection of the law.

Third. It vests discretionary power in the Chief of the Children's Bureau to exclude from the protection of the law against hazardous occupations any and all children between the ages of 16 and 18 years.

Fourth. It provides but one method of dealing with child labor when several separable methods are available.

Now, let me briefly analyze the House committee provision to see whether these objections are sustained by the provision itself. First, let me say that this provision is as unique in its arrangement in the bill as it is in its language. The prohibition of child labor is to be found in paragraph (e) of section 27, page 53, which is the penalty section—a singular place to put substantive law; while the mechanics of the amendment and its standards and limitations, if any, are to be found in paragraph 10, section 2, page 6—the definitions section. It reads as follows:

No producer, manufacturer, or dealer shall ship or deliver for shipment in interstate commerce any goods produced in any establishment situated in the United States in or about which, within 30 days prior to the removal of such goods therefrom, any oppressive child labor has been employed.

Now we must go back to a proposed amendment to the section on definitions for the definition of oppressive child labor and for the standards and limitations, if any, which are to be applied for the guidance of the administrator of the law. In order that it may be easily understood, I boil the definition down to its substantive words, and I shall deal first with the provisions relating to children under 16 years of age.

Oppressive child labor means a condition of employment under which any person under the age of 16 years is employed by an employer—other than a parent—in any occupation.

This would seem to be clear and final; but when we go to the last paragraph of the definition of oppressive child labor, we find that the Chief of the Children's Bureau may exempt any employee under the age of 16 years in any occupation which he shall deem not to constitute oppressive child labor. I quote:

Now, listen:

If and to the extent that the Chief of the Children's Bureau determines that such employment is confined to periods which will not interfere with their schooling and to conditions which will not interfere with their health and well-being.

The power to exempt is thus placed in the hands of the bureau chief to the extent that he determines such employment will not interfere with schooling and to conditions which will not interfere with their health and well-being. These conditions, I submit, may embrace all children capable of employment. There is no limit.

The paragraph simply means that the Chief of the Children's Bureau can exempt any one or more children under 16 years of age from the protection of the law; he can differentiate between the same type of children in the same occupation and between the same type of occupations in the same or different localities. I think it was rather clearly pointed out in the debate in the other body, that the opinion of the Chief of the Children's Bureau would be the law of the case. He may decide without let or hindrance who of the 8 to 10 millions of children under 16 years of age brought under this law may work and who may not. The President has placed at 12,000,000 the number of children to be affected by child-labor legislation, that is, 12,000,000 actually employed.

The administration of this provision would require a national network of personnel reaching into every school district in the land. The length of school terms and other conditions may and do differ in 10,000 different school districts. Then every one of these millions of children must necessarily be examined by a physician and must be reexamined and kept under medical supervision to determine whether, if exempt, they may continue exempt from the law. And there is no bottom age limit, no age minimum. They can be exempt at the age of 14 years, 12 years, 10 years, 8 years, or 6 years, and subjected to labor, provided the Chief of the Children's Bureau, who will never see or hear of the individual child, decides through some local supervisor somewhere in the land that it may work or not work; and it will be the same with all the millions of such children under the law. The favoritism, the discrimination, the abuses in any such system would be innumerable and insufferable, to say nothing of the cost.

I now pass to the class between 16 and 18 years of age. For the sake of clearness I shall quote the substantive words:

Oppressive child labor means any such employee between 16 and 18 years of age, employed by an employer (other than the parent)—

Now listen-

in any occupation which the Chief of the Children's Bureau declares to be particularly hazardous or detrimental to health and well-being.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?
Mr. MARTIN of Colorado. I am very sorry to deny such
a distinguished humanitarian. I have not the time. I wish
I could.

Mr. Chairman, I have given you all of the provisions with respect to child labor in hazardous occupations. There are no standards set up; no investigation required by the Chief of the Children's Bureau; no gathering of information; no findings of fact; nothing but that he may from time to time declare an occupation to be particularly hazardous. His naked ipse dixit is the law. The opinion that this provision is an unconstitutional delegation of legislative power is not limited to lawyers. Strange as it may seem, in view of the fact that the House committee has brought this discarded Senate committee provision back in, it is shared by no less

an official than the Chief of the Children's Bureau. On page 40 of the hearings of the Senate Interstate Commerce Committee on a similar provision occurs the following:

The Chairman. Might there not be a question as to whether or not you could delegate the power to some bureau for the determination of what constitutes and what did not a hazardous occupation?

Miss Lengoot. I think it would be much better in this attempt to develop a child-labor bill to pick out a few occupations which we know on the basis of experience constitute the greatest hazards and specify them directly in the bill, and not attempt to go into the area of delegation of power, which does raise certain constitutional questions.

The abuses to which this unlimited discretion would be subject in the matter of hazardous occupations are as unlimited as the provision with respect to the exemption of children under 16 years of age. There must be not less than 4,000,000 children between the ages of 16 and 18 years, all to be placed under the chief of a bureau having now no comparable jurisdiction or administrative machinery and without a single standard or limitation for check or guidance in the law.

I may also call attention to the fact that the definition is silent as to employment of children under 16 in hazardous work. That part of the definition applies only to children between 16 and 18. Does this leave a hiatus in the law with respect to children under 16? Are they fully protected from hazardous occupations by the definition of oppressive child labor respecting children under 16? If it does nothing more, the failure to apply the hazard clause to all children under 18 years of age, as is done in the Wheeler-Johnson amendment, raises a question as to the quality of workmanship in the House committee amendment; and if it gets into court, which it will when children under 16 get injured, it may raise a much more serious question.

Here are three more important differences between the

First. The Wheeler-Johnson amendment exempts agriculture. The House committee amendment does not. If it is claimed that the agricultural exemptions of the wage-hour parts of the bill apply, then I reply that you are exempting child labor from all the seasonal industries auxiliary to agriculture. And if the wage-hour agricultural exemptions apply to child labor, where does the application of the wage-hour bill stop? Are we to search the entire bill for child-labor law?

Second. The Wheeler-Johnson amendment protects common carriers, which may rely on the statements of shippers. The House committee amendment does not protect them.

Third. The Wheeler-Johnson amendment empowers the administrator to inspect places of employment and records. The House committee amendment does not. It seems to me this is very important.

Fourth. The Wheeler-Johnson amendment makes it unlawful to aid or assist in the transportation of such child-labor goods or to sell such goods. The House committee amendment is silent on these essential matters.

One parting shot. The 30-day limit in the House committee amendment, after which child-labor goods may be shipped from the plant, opens ways for escapement. A plant could stock up with child-labor goods, shut down for 30 days, then ship and avoid the law. Depend upon the exploiters of child labor to find the ways. The Senate limit is 6 months. There ought to be no limit except ordinary statutes of limitation. However, the Senate limit is six times better than the House committee limit.

Now, let me turn to the Wheeler-Johnson amendment, and let me say, first, that while it includes as one method of approach the prohibition of shipment in interstate commerce, it provides a three-way approach:

First. The first method is the subjection of child-labor goods to the laws of the State or Territory into which they are shipped, and prohibits the shipment in of such goods in violation of the law of such State or Territory. There are now some good State laws, and this provision may result in others.

Second. The second method requires the labeling of childlabor goods, carrying the name and address of the shipper and the consignee, the nature of the goods, and the kind of work with which child labor was utilized in the production of the goods. This is regarded by labor as a strong deterrent.

Third. The third method makes it unlawful to transport child-labor goods in interstate commerce.

It is confidently believed that the first and second methods, subjecting the goods to State laws and labeling, will be sustained by the Supreme Court under the decision on the Prison Goods Act, which employs both of these methods, and other recent liberal decisions of the Court regarding labor legislation.

It is hoped that the third method—prohibition in interstate commerce—will be sustained and Hammer against Dagenhart overruled for the reasons controlling in the Prison Goods case and other recent liberal decisions.

If the third method is not sustained—mark this—if the third method is not sustained, then the House committee amendment, which rests solely on the prohibition of shipment in interstate commerce, would also fall, and nothing would remain.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?
Mr. MARTIN of Colorado. I am very sorry, but I cannot yield. I have not the time.

In the Senate Interstate Commerce Committee hearings in May 1937 on five child-labor bills, it was the consensus of committee opinion that all these approaches, which were carried in one or the other of the bills, should be consolidated in one bill, and the result was the Wheeler-Johnson amendment to the wage-hour bill in the Senate. It was stated to the Senate committee by Mr. Keating, who was the first witness at the hearings, that if the prohibition of shipment approach fails in the courts, a great advance would still be made by the other two methods. I do not see how there is any room to question the wisdom and desirability of combining these several approaches to the objective, with a separability clause, as against a proposal which rests upon only one of these methods, and that one the most doubtful.

Now, let me pass to the definitions of child labor in the Wheeler-Johnson amendment and the standards set up in the definition. The Wheeler-Johnson amendment defines child labor. I quote:

As employment of a human being under the age of 16 years, and as employment of a human being under the age of 18 years at "extra hazardous work"—

Now listen-

at extra hazardous work specified by regulations promulgated pursuant hereto, which specifications shall be based on facts found by the Secretary of Labor as to the relative possibility of injury or detriment to health involved in the various types of employment, after necessary information on the subject has been collected by him or derived by him from sources known to be reliable.

The difference between this definition and that in the House committee amendment may be seen at a glance and stated in a sentence. In the Senate amendment there is no discretion permitting multitudinous and unlimited exemptions under the age of 16 as in the House committee provision; and under the age of 18 the procedure in determining hazardous work is prescribed, a procedure wholly lacking in the House committee provision.

Administration of the law is placed in the Department of Labor. I shall not quarrel with where you place it. None of these jurisdictional quarrels go to the merits of either wage-hour or child-labor legislation, and we should not permit them to do so. But, wherever it goes, it should go as definitely worded as we can make it, and it should go implemented with every arrow that may hit the target.

I have not had time to cover all of the Senate amendments. It is a complete piece of child-labor legislation. There is no comparison between the two proposals. I have pointed out fatal defects in the House committee amendments. I have raised material questions which should be satisfactorily answered.

Mr. WOOD. Mr. Chairman, will the gentleman yield? Mr. MARTIN of Colorado. I am sorry; I cannot yield.

Mr. Chairman, I think the Members ought to have the opportunity of hearing this analysis.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask the lady from New Jersey to grant me 2 minutes more.

Mrs. NORTON. Mr. Chairman, I yield the gentleman 1 minute more

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. Mr. Chairman, I have not the time. Get me the time and you can ask the questions. I understand the gentleman's attitude on this legislation and why. An analysis of the House committee amendment shows that it is nothing more than a gesture. It has not a leg to stand on in any court. It is defective in every important particular. On the other hand, the Wheeler-Johnson amendment was put into this bill in the Senate after a thorough and searching debate by the ablest wage-hour and childlabor leaders in that body and is sound legislation, thoroughly worked out if you will read it, and I propose, when the time comes for amendment, to oppose the House committee amendment and if it is voted down then to move to reinsert in the bill the Wheeler-Johnson amendment. [Applause.]

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mrs. NORTON. Mr. Chairman, I yield 2 minutes to the

gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. Mr. Chairman, my distinguished colleague on the Rules Committee, the gentleman from Michigan [Mr. Mapes] today made certain remarks in reference to this bill being before the Committee on Rules. Of course, a bill is never before the Rules Committee. It is not a legislative committee. It considers, principally, resolutions for the consideration of bills. The confusion in this respect has been profuse in the press and in statements made on this floor. By the same token the Rules Committee could never prevent the consideration of a bill reported from a standing committee, as this bill was. That subject is another confusion pervading places occupied by persons not familiar with the rules of the House of Representatives.

The gentleman said, first, that the rule was never called up in the Rules Committee. That is correct.

He said that no representative of the Labor Committee ever appeared before Rules Committee. That is correct.

He said that no hearing was held by Rules Committee. That is correct.

He said that no vote was held in the Rules Committee. That is correct.

He said that the distinguished gentlewoman from New Jersey [Mrs. Norton], chairman of the Committee on Labor, never appeared before the Rules Committee. That is correct.

All those statements are correct. But the explanation, in all fairness to the distinguished gentlewoman from New Jersey and the Committee on Labor, is just this: The gentlewoman from New Jersey asked for a hearing before the Rules Committee several times, in the usual manner, conferring with me in reference to a hearing, the customary procedure. I finally agreed to give her a hearing before the Rules Committee and promptly called a meeting of the Rules Committee for that purpose. For several days, up to the morning of the scheduled meeting, I sought to obtain sufficient votes in the Rules Committee to be able to vote out a rule for the consideration of the wage and hour bill. On the morning of the meeting I consulted with the Speaker and the majority leader, and we all knew there were not enough votes in the Rules Committee to report out a rule. That being the situation, we all agreed that the practical course to take was to call off the meeting of the Rules Committee and make further efforts to receive the necessary

That is the only reason the distinguished lady from New Jersey or other Representatives of the Labor Committee did not appear before the Rules Committee. In fairness to them, I state that they did everything within their power to secure a rule. They were ready and willing to appear, but it was obviously futile to hold a meeting of the Rules Committee when there clearly were not sufficient votes to report out a rule for the consideration of the bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. O'CONNOR] has expired.

Mr. KELLER. What was the attitude of the gentleman from Michigan?

Mr. O'CONNOR of New York. I do not know.

The CHAIRMAN. The time of the gentleman has expired. Mrs. NORTON. Mr. Chairman, does the gentleman from California desire to use some more time?

Mr. WELCH. I cannot use any more time right now.

Mrs. NORTON. The gentleman has nobody on his side who is opposed to this bill. That is fine.

Mr. WELCH. There are a number of Members on this side of the aisle who desire to be heard and will be heard tomorrow. They are not available at this time.

Why not proceed and use some of your time?

Mrs. NORTON. I may say I have used considerably more time than the gentleman from California has used. In all fairness, we would like to hear the arguments on the other

I yield 5 minutes to the gentleman from New York [Mr. CURLEY].

Mr. CURLEY. Mr. Chairman, ladies and gentlemen of the Committee, I am one of the 27,000,000 members of the Democratic Party who voted for the New Deal in November 1936 who wishes to keep faith with my own constituency as well as the constituencies throughout the country. And, in direct contradiction to the statements made by my friend Mr. Dies today that the platform of the Democratic Party does not contain anything which calls for Members of Congress on the Democratic side of the House to live up to, may I point to you just a few of the paragraphs in the Democratic platform of 1936:

We hold this truth to be self-evident, that the test of a representative government is its ability to promote the safety and hap-piness of the people.

We hold this truth to be self-evident, that this 3-year recovery in all the basic values of life and the reestablishment of the American way of living has been brought about by humanizing the policies of the Federal Government as they affect the personal, financial, industrial, and agricultural well-being of the American people.

We hold this truth to be self-evident, that government in a modern civilization has certain inescapable obligations to its citizens, among which are:

(1) Protection of the family and the home.
(2) Establishment of a democracy of opportunity for all the people.

(3) Aid to those overtaken by disaster.

Now, Mr. Chairman, I heard my esteemed friend and colleague from Texas, Mr. Dies, make the statement here today that if this bill were passed it only would affect some 500,000 people. As a matter of fact, if the gentleman had looked over the testimony submitted at the joint hearing, he would have found statistics which would indicate that 4,000,000 at the very least would be affected by the passage of this bill.

I also heard somebody say that William Green, president of the American Federation of Labor, was opposed to this bill. Let us look over the history of this situation and let us face the facts. Let us turn to page 211 of the minutes of the hearing on the Fair Labor Standards Act of 1937, part I:

STATEMENT OF WILLIAM GREEN, PRESIDENT OF THE AMERICAN FEDERATION OF LABOR

Mr. Green. Mr. Chairman and gentlemen of the committee, the American Federation of Labor, by action of its executive council on May 28, 1937, endorses, together with the additional sections to be offered herewith, the proposed Fair Labor Standards Act of 1937 as formulated in the Black-Connery bill introduced in the Congress of the United States on May 24, 1937.

Mr. COX. Mr. Chairman, will the gentleman yield? Mr. CURLEY. I do not yield, Mr. Chairman.

Now, Mr. Chairman, I object to the gentleman interrupting. He has not been just to 426 Members of this House, as a member of the Rules Committee, when he did not give this House a chance to consider this legislation. Now he asks me to be just to him. Well, well, well. [Laughter.]

The time has arrived for the enemies of the true facts to join hands with the disciples of the constitutional right of every person to equal opportunities, in keeping with American traditions, and strive for a frank and intelligent recognition of this wonderful opportunity to rehabilitate the mass of distressed workers of America. Let us join together to drive this existing tragic condition or blight out of our American life. The paralysis which handcuffs misery and poverty to 8,000,000 heads of families, and registers such a colossal financial loss in purchasing power because they cannot find a job, needs strong, powerful social treatment to remove that economic strait jacket. It is my humble judgment that the Black-Connery bill, if enacted into law, will help materially in reaching that human objective. Good government exists when those who are near are made happy and those far off are attracted. Go before the people and be laborious in their affairs. The essence of any remedy to relieve poverty and distress is a good job at a decent living wage and reasonable maximum hours of labor. President Roosevelt started us off on a straight course ahead in leading the Nation to economic victories. He did not turn corners to look for prosperity, and he will not do it now. It is strange that every time human efforts are attempted to "jack up" the social floor level of the submerged masses of labor suffering from substandard labor conditions we hear an uproar from the "economic royalists" and their allies among the selfish business groups in industry in opposition. You can easily recognize them-the same crowd of "big business" that bartered and traded the economic birthright of the States—the right to regulate and control unfair competition in intrastate and interstate commerce.

We read of workers in cross sections of the country receiving \$5 or \$6 a week and of being compelled to work 50 to 60 and 80 hours a week to earn that much. Here is some food for thought for the "feudal barons" of industry and big business who are flooding the mails of the Congressmen in opposition to the Black-Connery fair standards of labor bill; and who are they? The same old kings of high finance in the boom days of 1929. "By their fruits ye shall know them"; that simon-pure stratum of constitutional lawyers who in the days gone by sold and betrayed the economic birthright of hundreds of thousands of bond, stock, and security holders on the altar of selfish greed. Those so-called saviors of the Constitution of the United States now are the same fraternity who forgot all about their legal code of ethics in the past when they sacrificed for a price the human rights of the public at large with impunity. Have you forgotten them?

SPONSORS OF FAIR LABOR STANDARDS BILL FACE ITS ENEMIES

In all my public experience of over 20 years I have never received such an avalanche of mail and telegrams from selfish, prejudiced interests containing invidious attacks as on the Black-Connery bill. Notwithstanding the concerted propaganda directed through subsidized channels at first, and later, by wide publicity purchased at tremendous expense, to poison the minds of the public and the minds of Members of Congress, the true friends of the shackled workers of America are still battling for a fair and square deal for the underpaid, exploited masses of our people. Though the critics of the wage and hour bill "have sounded the death knell" of this humane, statesmanlike legislation, it has only been "scotched" and, like Banquo's ghost, it has come back to plague them.

CONSTITUTION IS NOT A STRAIT JACKET

The Constitution is not a strait jacket, but is meant to serve all the people in all sections of our great Nation. There are critics who challenge the constitutionality of the Black-Connery bill. They allege it violates States' rights. The most of the critics using this specious contention fail to apply the truth in the attempt to reach a logical conclusion. My humble layman's opinion is that the bill is legal and constitutional, and is based on the existing public record of past precedent, which I used as a premise to work from, in the reasoning process leading to my own humble conclusions.

STARVATION WAGES, UNREASONABLE HOURS, AND CHILD LABOR MUST GO

As a member of the Labor Committee of the House of Representatives, I beg to inform my colleagues in the House we have a sacred pledge to keep before adjournment to the millions of our ill-nourished, ill-clad, and ill-housed American citizens and their families dependent upon them. We Members of the Democratic majority were elected on a platform in November 1936 which pledged a policy of humane treatment of this serious social problem affecting the economic structure of the Nation. With this worthy object in mind, the administration recommended constructive social legislation to the Congress of the United States which would tend to strengthen the weakened morale of the handcuffed workers who constitute the "forgotten men and women" of America today. This large group of our people are the exploited type so specifically requiring the protection of the strong arm of Uncle Sam. The Black-Connery fair standards of labor bill was approved by the Senate. The Labor Committee of the House held a long series of tedious public hearings and executive sessions since the early part of June, under the skillful guidance of the chairman, Hon. William Connery, Jr., who died suddenly while in the midst of the battle fighting for the passage of his bill to help labor. The gentle lady from New Jersey, Hon. MARY NORTON, succeeded to the chairmanship of the Labor Committee, and diligently continued the battle for labor, day after day, for 3 weeks until she finally, with the cooperation of her committee, submitted a favorable report of the Black-Connery bill to the House for final action thereon, and sincerely trusts the bill will be adopted.

The CHAIRMAN. The time of the gentleman from New.

York has expired.

Mrs. NORTON. Mr. Chairman, how does the time stand? The CHAIRMAN. The gentlewoman from New Jersey has 1 hour and 20 minutes remaining. The gentleman from California has 1 hour and 43 minutes remaining.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McCormack, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 2475, the wage-hour bill, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include therein a plank from the Republican platform on labor, and certain other short extracts.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a statement in the form of letters by the attorney general of Texas and by the comptroller in regard to the collection of cigarette taxes and the assistance that the Post Office Department should give; also to include a copy of a bill by the gentleman from Georgia [Mr. TARVER].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days from the passage of the wage-hour bill in which to revise and extend their own remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include

therein a bulletin from the United States Bureau of Labor | Statistics showing the hourly entrance rates of common unskilled workers in 20 industries.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to remind the House that on yesterday the Japanese sank one of our gunboats. I also want to remind the House, Mr. Speaker, that Japanese goods are flooding this country. Our workers cannot compete with low-priced goods made by poorly paid labor of Japan. I also want to remind the House, Mr. Speaker, that there has been an increase in the amount of exports to Japan during 1937. I also want to remind the House, Mr. Speaker, that the chief explanation for this increase, according to the press, is that so much cotton, a war commodity, has been shipped to Japan.

I also want to remind the House, Mr. Speaker, of the extremely unfortunate Neutrality Act passed at the last session of Congress. Mr. Speaker, the reason this act is not being enforced, it is generally believed, is because it would be unfriendly to China and help Japan. It was pointed out at the time of its passage what an unwise measure it was, one that was likely to get us into trouble if enforced and very dangerous if not enforced.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, the world is in a very un-

happy situation.

I think it would be well for all of us, it matters not what our feelings may be, not to add in any way to the unhappiness or unrest in the world today by any utterance of our own. [Applause.] I deeply regret, therefore, such remarks as have just been made by the gentlewoman from Massachusetts. If we are to remain neutral; yea, Mr. Speaker, if we are to remain out of war, those of us in positions of responsibility should be very careful about our public utterances and leave these matters to the executive department: at least until Congress may be called upon to take some drastic action.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. LUECKE of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter which I received from Mr. Ayres, Chairman of the Federal Trade Commission, in reply to a letter of mine on the subject of milk testing.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some speeches I made within the past month.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record, but not on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend and revise my own remarks in the RECORD and include therein a statement by J. Warren Madden, Chairman of the National Labor Relations Board, which he made this morning on the subject of freedom of the press.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to propound a question of the majority floor leader.

The SPEAKER. The gentlewoman from Massachusetts [Mrs. Rogers] asks unanimous consent to propound a question to the majority leader. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, no one wants war or entangling alliances any less than I do. I want to keep us out of war, to keep us out of entangling alliances.

Mr. PATMAN. Mr. Speaker, I demand the regular order. Mrs. ROGERS of Massachusetts. Will the majority leader make a suggestion as to what we can do in the way of neutrality legislation to improve the situation?

Mr. RAYBURN. That is not my responsibility at the

Mrs. ROGERS of Massachusetts. Whose responsibility is it to enact neutrality legislation if not the Congress?

LEAVE OF ARSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Warren, indefinitely, on account of death in

To Mr. REILLY (at the request of Mr. BOILEAU), for 1 week, on account of death in family.

To Mr. Boylan of New York, indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein the Child Labor Act of 1916.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3114. An act to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.) the House adjourned until tomorrow. Tuesday, December 14, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes, in room 219, House Office Building, on Tuesday, December 14, 1937, at 10 a. m.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, Old House Office Building, at 10: 30 a.m., on Wednesday, December 15, 1937, for hearing on H. R. 8549, for public consideration of bill to deny United States citizenship to persons advocating government by dictatorship.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Committee on the Judiciary in room 346, House Office Building, Wednesday morning, December 15, 1937, at 10:30 a.m., on House Joint Resolution 199, proposing an amendment to the Constitution of the United States to provide a referendum on war.

The Special Bankruptcy Subcommittee of the Committee on the Judiciary will hold a public hearing on the Frazier-Lemke bill, S. 2215, to amend section 75 of the Bankruptcy Act, in the Judiciary Committee room at 346, House Office Building, on Friday, December 17, 1937, at 10 a.m.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. Crosser's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on House Joint Resolution 389, distribution and sale of motor vehicles.

There will be a meeting of Mr. Maloney's subcommittee of the Committee on Interstate and Foreign Commerce at 10 a.m., Thursday, December 16, 1937. Business to be considered: Hearing on S. 1261, through-routes bill.

There will be a meeting of Mr. Martin's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 4, 1938. Business to be considered: Hearing on sales-tax bills, H. R. 4722 and H. R. 4214.

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a.m., Tuesday January 11, 1938. Business to be considered: Hearing on S. 69, trainlengths bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

886. A letter from the Under Secretary, Department of State, transmitting from the Nobel Committee of the Norwegian Parliament a copy of the committee's circular furnishing information with reference to proposals of candidates for the Nobel peace prize for the year 1938; to the Committee on Foreign Affairs.

887. A letter from the Attorney General, transmitting a draft of a bill proposing an amendment to the Employees Compensation Act applicable to civil officers of the United States; to the Committee on the Judiciary.

888. A letter from the Secretary of the Interior, transmitting a bill to amend the act entitled "An act for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States," approved June 29, 1936, and for other purposes; to the Committee on the Civil Service.

889. A letter from the national legislative committee of the American Legion, transmitting a copy of the financial statement of the American Legion for the 10 months of the current year 1937; to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOTT: A bill (H. R. 8686) to aid in providing a permanent mooring for the battleship *Oregon*; to the Committee on Military Affairs.

By Mr. VOORHIS: A bill (H. R. 8687) to amend the United States Housing Act of 1937; to the Committee on Banking and Currency.

By Mr. MERRITT: A bill (H. R. 8688) to authorize the acquisition of the outstanding interests in land in the military reservation of Schenectady General Depot, N. Y., and for other purposes; to the Committee on Military Affairs.

By Mr. BIGELOW: A bill (H. R. 8689) to authorize a preliminary examination and survey of Miami River in the State of Ohio for flood control and for other purposes; to the Committee on Flood Control.

By Mr. GASQUE: A bill (H. R. 8690) granting a pension to widows and dependent children of World War veterans; to the Committee on Pensions.

By Mr. SCRUGHAM: A bill (H. R. 8691) to amend the Taylor Grazing Act; to the Committee on the Public Lands.

By Mr. SUTPHIN: A bill (H. R. 8692) authorizing and directing the establishment of a training station for enlisted personnel of the United States Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. NICHOLS: Resolution (H. Res. 382) to amend rules X and XI of the Rules of the House of Representatives; to the Committee on Rules.

Also, resolution (H. Res. 383) to amend rules X and XI of the Rules of the House of Representatives; to the Committee on Rules.

By Mr. SCOTT: Joint resolution (H. J. Res. 537) authorizing the President of the United States, in cooperation with other nations, to suspend economic relations with Japan; to the Committee on Foreign Affairs.

By Mr. LEWIS of Maryland: Joint resolution (H. J. Res. 538) authorizing the President of the United States, in cooperation with other nations, to suspend economic relations with Japan; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 8693) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Andrew Count Pulaski against the United States; to the Committee on Claims.

By Mr. GREEN: A bill (H. R. 8694) for the relief of Mrs. J. H. Greene, Anna Harvey, and Mrs. S. E. Elmore; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 8695) granting a pension to Araminta Webb; to the Committee on Invalid Pensions.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8696) for the relief of Ruby Z. Winslow; to the Committee on Claims. By Mr. O'BRIEN of Michigan: A bill (H. R. 8697) for the relief of Floyd F. Buck; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3591. By Mr. ALLEN of Louisiana: Petition of Mrs. W. C. Abrams and others with reference to participation of the United States in any war on foreign soil; to the Committee on Foreign Affairs.

3592. By Mr. BOYLAN of New York: Resolution adopted by the New York and New Jersey Dry Dock Association at a meeting held December 1, 1937, in New York City, opposing the passage of House bills 7365 and 7863 transferring the work now being done by the Corps of Engineers of the United States Army to another governmental department with civilian supervision, etc.; to the Committee on Rivers and Harbors.

3593. By Mr. CULKIN: Petition of Local 15, International Woodworkers of America, Escanaba, Mich., urging an embargo on all shipments of whatever nature to or from Japan until armed forces of Japan are withdrawn from China, including Manchuria; to the Committee on Interstate and Foreign Commerce.

3594. Also, petition of Local 15, International Woodworkers of America, Escanaba, Mich., urging repeal of legislation and policies interfering with shipments of arms and materials to Spain and placing of embargo on shipments to Italy and Germany until such time as all armed forces of Italy and Germany are withdrawn from Spain; to the Committee on Interstate and Foreign Commerce.

3595. Also, petition of the Lewis County Pamona Grange, Lewis County, N. Y., opposing enactment of the Black-Connery wage and hour bill; to the Committee on Labor.

nery wage and hour bill; to the Committee on Labor.
3596. Also, petition of the Cape Vincent Grange, No. 599,
Cape Vincent, N. Y., opposing enactment of the Black-Connery wage and hour bill; to the Committee on Labor.

3597. By Mr. LUTHER A. JOHNSON: Petition of Hon. William McGraw, attorney general of the State of Texas, favoring House bill 8045, authorizing the Post Office

Department to cooperate with the States in the collection of State cigarette and tobacco taxes; to the Committee on the Post Office and Post Roads.

3598. Also, petition of the City Council of the city of Hillsboro, Tex., opposing reduction of funds for Federal highways; to the Committee on Roads.

3599. By Mr. KEOGH: Petition of the Merchants' Association of New York, concerning the Norris bill (S. 2555) and the Mansfield bill (H. R. 7365) for the establishment of regional authorities; to the Committee on Rivers and Harbors.

3600. By Mr. MEAD: Petition of 66 Buffalo, N. Y., citizens, urging favorable action on the Capper-Culkin bill to prohibit the advertising of liquor by radio; to the Committee on Interstate and Foreign Commerce.

3601. By Mr. PFEIFER: Petition of the Merchants' Association of New York, concerning the Norris bill (S. 2555) and the Mansfield bill (H. R. 7365); to the Committee on Rivers and Harbors.

3602. By Mr. SHANLEY: Petition of the citizens of Waterbury in condemnation of the growth of Nazi activities in the United States; to the Committee on the Judiciary.

3603. By the SPEAKER: Petition of the Michigan Good Roads Federation, regarding the rejection of any efforts to curtail Federal appropriations for highway development; to the Committee on Roads.

3604. Also, petition of the Industrial Union of Marine and Shipbuilding Workers of America, Local No. 18, Mobile, Ala.; to the Committee on Labor.

SENATE

TUESDAY, DECEMBER 14, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, December 13, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.
The VICE PRESIDENT. The clerk will call the roll.
The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pope
Andrews	Davis	La Follette	Radcliffe
Ashurst	Dieterich	Lee	Reynolds
Austin	Donahey	Lodge	Russell
Bailey	Duffy	Logan	Schwartz
Bankhead	Ellender	Lonergan	Schwellenbach
Barkley	Frazier	Lundeen	Sheppard
Berry	George	McAdoo	Shipstead
Bilbo	Gibson	McCarran	Smathers
Bone	Gillette	McGill	Smith
Borah	Glass	McKellar	Steiwer
Bridges	Graves	McNary	Thomas, Okla.
Brown, Mich.	Green	Maloney	Thomas, Utah
Brown, N. H.	Guffey	Miller	Townsend
Bulkley	Hale	Minton	Truman
Bulow	Harrison	Moore	Tydings
Burke	Hatch	Murray	Vandenberg
Byrd	Hayden	Neely	Van Nuys
Byrnes	Herring	Norris	Wagner
Capper	Hitchcock	O'Mahoney	Walsh
Caraway	Holt	Overton	Wheeler
Chavez	Johnson, Calif.	Pepper	White
Connally	Johnson, Colo.	Pittman	

Mr. MINTON. I announce that the Senator from Delaware [Mr. Hughes] is detained from the Senate because of illness.

The Senator from Missouri [Mr. CLARK] and the Senator from Illinois [Mr. Lewis] are detained on important public business.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

REPORT OF FEDERAL FIRE COUNCIL

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Public Buildings and Grounds, as follows:

To the Congress of the United States:

I transmit herewith for the information of the Congress, the first annual report of the Federal Fire Council.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 13, 1937.

ORDINANCES OF PUBLIC SERVICE COMMISSION OF PUERTO RICO

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Territories and Insular Affairs, as follows:

To the Congress of the United States:

As required by section 38 of the act of Congress, approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I have the honor to transmit herewith certified copies of each of five ordinances adopted by the Public Service Commission of Puerto Rico. The ordinances are described in the accompanying letter from the Secretary of the Interior forwarding them to me.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, December 13, 1937.

LIMITATION OF FUNDS FOR FEDERAL-AID HIGHWAYS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Aid Highway Act, approved July 11, 1916, as amended and supplemented, and for other purposes, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adoted by the Santa Barbara County (Calif.) Chamber of Commerce, favoring the prompt enactment of the bill (H. R. 7558) to extend the mining laws of the United States to the Joshua Tree National Monument in California, which was referred to the Committee on Public Lands and Surveys.

Mr. SHEPPARD presented a memorial of 86 citizens and seamen of Houston, Tex., remonstrating against the enactment of the bill (S. 3078) to amend the Merchant Marine Act, 1936, and for other purposes, and protesting against the proposal to place maritime employees within the jurisdiction of the National Mediation Board in case of dispute, which was referred to the Committee on Commerce.

Mr. COPELAND presented a resolution adopted by Chenango County (N. Y.) Pomona Grange, Patrons of Husbandry, protesting against the enactment of the so-called Black-Connery wage and hour bill, or similar legislation, which was ordered to lie on the table.

He also presented resolutions adopted by Oatka Falls Grange, No. 394, of Le Roy, and Broome County Pomona Grange, both of the Patrons of Husbandry, in the State of New York, protesting against the enactment of pending cropcontrol legislation, which were ordered to lie on the table.

He also presented a memorial of sundry citizens of Lewis and Oneida Counties, N. Y., remonstrating against the enactment of crop-control legislation, which was ordered to lie on the table.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:
A bill (S. 3132) granting to certain needy persons the right to obtain fuel from lands of the agricultural experiment station near Miles City, Mont.; to the Committee on Agriculture and Forestry.